PUBLIC PRIVATE PARTNERSHIPS: THE OPPORTUNITIES, THE RISKS

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN SERVICES

OF THE

SELECT COMMITTEE ON AGING
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

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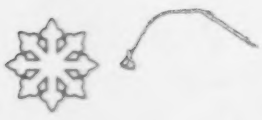

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PUBLIC PRIVATE PARTNERSHIPS: THE OPPORTUNITIES, THE RISKS

TUESDAY, JUNE 5, 1990

U.S. HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON AGING,
SUBCOMMITTEE ON HUMAN SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:30 a.m., in Room 2226, Rayburn House Office Building, Hon. Thomas J. Downey (chairman of the subcommittee) presiding.

Present: Representatives Downey, Hertel, Snowe, Blaz and Morella.

Staff Present: John Olinger, majority staff director; Moya Benoit, majority research director; Mary Conway, staff assistant; Natalie Cannon, minority staff director; and Dari Minzner, minority research assistant.

OPENING STATEMENT OF CHAIRMAN THOMAS J. DOWNEY

Mr. DOWNEY. The subcommittee will come to order.

I am happy to convene this hearing today entitled, "Public Private Partnerships: The Opportunities, the Risks." This morning's hearing is the fourth in a series of hearings being held by the Subcommittee on Human Services in preparation for the 1991 reauthorization of the Older Americans Act. The purpose of this hearing is to examine existing public private partnerships within the Older Americans Act and to explore opportunities for expansion.

Public private partnerships, the joining of Federal, State or local agencies with private corporations for the benefit of a particular group or cause—in our case, the elderly—clearly already exist across our Nation.

No doubt the prime motivating force behind the formation of these partnerships is the fact that the funding for the Older Americans Act programs has not grown as it should have in the last decade. Increasingly, State and Area Agencies on Aging are looking to the private sector for ways to expand their services. If the budget picture remains negative, these partnerships become more and more essential.

Congress must take a close look at these collaborations. There is no doubt that the issue of public private partnerships will be one of the central issues during the 1991 reauthorization of the Older Americans Act, and it is important that we learn as much as we can about these partnerships and voice any concerns about them in

the process. We must be careful not to inhibit the creation and development of these partnerships, but we also must be cautious.

Among the questions we must ask while examining these partnerships are:

Are public private partnerships compatible with the targeting requirements of the Older Americans Act? Is there a way to prevent development of a two-tiered system? Are there bureaucratic obstacles to setting up public private partnerships and how do we avoid a growth in the bureaucracy?

Is the Administration on Aging capable of providing the needed technical assistance to Area Agencies on Aging to help them in setting up public private partnerships and to ensure that those agreements comply with the mission of the Older Americans Act? Is the Administration on Aging equipped to monitor the implementation of public private partnerships at the local level? Is there any hard evidence which shows that additional resources are generated from public private partnerships that can be or are used for targeting additional services?

If State and area agencies become involved in private sector initiatives on a broad scale, what impact will this have on the capacity of the network to carry out its current statutory responsibilities?

Finally, will the use of public private partnerships simply become a substitute for administration and congressional responsibility to provide adequate funding for Older Americans Act programs?

These are all questions to keep in mind throughout this hearing and throughout the coming months.

At this time, if there are no objections, I would like to submit the prepared statements of Representatives Olympia Snow, Ranking Republican Member of this subcommittee, and Constance Morella, for the hearing record at this point. Hearing no objections, so ordered.

[The prepared statements of Representatives Olympia J. Snowe and Constance A. Morella follow:]

OLYMPIA J. SNOWE

Mr. Chairman, I want to commend you for holding this hearing today to examine the opportunities and possible risks of public-private partnerships under the Older Americans Act. This year, our Subcommittee hearings on the Older Americans Act will be laying the groundwork for its reauthorization in 1991. One item we will be deliberating is the need for legislative guidelines as State and Area Agencies on Aging pioneer new public-private partnership arenas in the 90s.

Those of us who have been long involved with aging concerns well know the current and coming demographics of the aging population. Many of the needs of the rapidly expanding frail elderly group cannot be solved by families or the public or private sector alone. These individuals will need increasing assistance to stay at home and in the community. We know that families have traditionally provided 80 percent of that care.

However, the majority of the women who have assumed the family caregiver burden are now employed. Therefore, the stress of caregiving responsibilities impacts on productivity at work which concerns both employees and employers. As the Ranking Minority Member of this Subcommittee, I have long been active in

addressing the needs of family caregivers. Therefore, I am pleased that employers and the aging network are expanding the development of public-private elder care programs to assist employed caregivers.

As we celebrate the 25th Anniversary of the Older Americans Act this year, we continue to see its creative flexibility in practice. The Aging network's development of a wide range of public-private partnerships are a prime example of this intent. Most of our witnesses today represent aging and business programs which have been on the cutting edge of public private collaboration. They have initiated innovative programs which truly meet the needs of older persons in their local communities.

But as we move on into the 90s and the next 25 years of the Older Americans Act, we face increasingly complex challenges. The commendable Program Instruction recently issued by the Administration on Aging regarding contracts for corporate eldercare also addresses many of the key issues for public-private partnerships in general. But State and area agencies on aging may find it more and more difficult to focus on their public purpose mission under the Older Americans Act if federal program dollars continue to shrink. However, I am confident that Congress will face the future in the 1991 reauthorization of the Older Americans Act and continue to provide a balanced framework for the leadership of State and area agencies on Aging.

I look forward to hearing from our witnesses today and to their recommendations. I want to particularly welcome Chris Gianopoulis, Director of the Bureau of Elder and Adult Services, in Maine. She will provide the insight and observations of a less populated state -- of which there are many in the United States. And she will be raising some provocative issues and questions as well.

Thank you, Mr. Chairman.

Constance Morella 1

Subcommittee on Human Services, Select Committee on Aging

"PUBLIC PRIVATE PARTNERSHIPS IN THE OLDER AMERICANS ACT:

THE OPPORTUNITIES AND THE RISKS"

Statement by the Honorable Constance A. Morella

Mr. Chairman, Ms. Snowe, thank you for calling this hearing today to bring us up to date on many of the activities of the Administration on Aging's Area Agencies on Aging. It is especially appropriate to hold this hearing now, in anticipation of the reauthorization of the Older American's Act in 1991.

As the structure of our society continues to change (fewer extended families, more and more women in the workplace), the caregiving responsibilities of older Americans can no longer be met by traditional means: those of the family alone. Although families have taken the lead in this area, employers are also recognizing that employee elder care responsibilities may affect workplace performance as well as the ability of employers to retain experienced workers at a time when there are labor shortages in certain sectors. A number of workplace surveys have indicated that as many as one quarter of employees may have elder care responsibilities. In the coming years it is likely that elder care support services will become of greater concern to employers as the number of workers with adult caregiver responsibilities grows due to the aging of the population and the continual high workforce participation who have traditionally assumed the caregiving role for older family members.

The network of State and area agencies authorized and funded under Title III of the Older Americans Act can play an important role in assisting organizations in developing elder care assistance programs. Services which can be provided by the agencies may include seminars, written materials, consultation and counseling. Through the new Program Instructions from the Administration on Aging, State and Area agencies on Aging are being encouraged to work with the private sector in development of such services.

However, we must be cautious so that such an expansion in services to the corporate community is not made at the expense of traditional targeted efforts. We must continue to target the efforts on older persons with the greatest economic or social need, with particular attention placed on low-income minority older persons, as has historically been the mission of the State and Area Agencies on Aging.

I am pleased that we will have the opportunity to learn about current programs, changes that may need to be made in such programs because of the new Program Instruction to include working with the corporate sector, and programs that have successfully met these challenges. As we continue to face tight budget restraints, clarifying the "grey" areas regarding public-private partnerships under the Older Americans Act will becme increasingly important. Such areas, which need to be explored include: the public purpose mission of the Older Americans Act; the danger of establishing a 2-tiered services system; and possible difficulties of area agencies in

maintaining efforts to meet the congressional mandate to target services to older persons with the greatest economic or social need.

I am looking forward to hearing about these issues from the distinguished panel of witnesses who are here today.

Mr. DOWNEY. We have with us today witnesses representing several regions of the country, some of whom are already involved in these ventures and some who have concerns. Today's hearing will be a key learning opportunity for the members of the subcommittee and we're very interested in hearing what our witnesses have to say.

I welcome all of the witnesses here today, especially those who have traveled a distance to be with us. In addition, I would like to welcome Dr. Prema Mathai-Davis and congratulate her on her new post, the newly sworn in Commissioner of the New York City Department for the Aging, on her first appearance before a congressional committee. You will find, Dr. Davis, the committees range in size from one to many, depending on the time of the year and the subject involved.

We are delighted to hear from you, and Mr. O'Neill and Mrs. Schramm. Dr. Davis, if you would proceed.

PANEL ONE, CONSISTING OF PREMA MATHAI-DAVIS, COMMISSIONER, NEW YORK CITY DEPARTMENT FOR THE AGING; JOHN F. O'NEILL, EXECUTIVE DIRECTOR, SOMERVILLE-CAMBRIDGE ELDER SERVICES, INC., SOMERVILLE, MA; AND CHERYLL SCHRAMM, CHIEF, AGING DIVISION, ATLANTA REGIONAL COMMISSION, ATLANTA, GA.

STATEMENT OF PREMA MATHAI-DAVIS

Dr. MATHAI-DAVIS. Thank you, Mr. Downey. My name is Prema Mathai-Davis, and I'm the Commissioner of the New York City Department for Aging, which is both a department of the New York City government and the largest Area Agency on Aging in the country. It is an honor to be here today to address this hearing on a subject of growing importance to the aging network: public private partnerships.

While Government must continue to assume the prime responsibility for services to the increasing numbers of elderly, there is a gap between what Government can do and what needs to be done. Based on 10 years of experience, we have found public private partnerships built on mutual benefits ideally suited to bridge this gap.

Let me briefly mention six of our efforts, all of which started with the foundation of corporation funds, and all of which are effectively meeting a service need and all, except for one, are now receiving city funds.

The Citymeals-on-Wheels, which started in 1981, provides 800,000 weekend, holiday, and emergency meals to homebound elderly who formerly were receiving only five Government-funded meals a week. Project Stay Well uses 400 trained senior volunteers to conduct health promotion activities involving 3,500 older New Yorkers each week. The New York City Alzheimer's Resource Center provides thousands of families of Alzheimer's patients with counseling, legal and financial planning and guidance on nursing home placement to over 2,600 families, as well as 6,800 hours of in-home respite care.

The Senior Employment Service works with businesses to offer job training and placement to hundreds of older job-seekers.

The Intergenerational Work Study Program helps keep potential high school dropouts in school by providing them meaningful work serving the elderly.

Lastly, our Partnership for Eldercare, which educates corporations about their emerging need to assist their employees with their care-giving responsibilities. This initiative is the only one of the six that I have mentioned that is completely privately funded and receives no public dollars.

In the interest of time, I haven't discussed these programs in detail, but they are in my full testimony.

At their inception, these services were not Government priorities, although the Department for the Aging saw them as a means for addressing the emerging needs of older adults. It was private funding that transformed these initiatives into working programs. But it was because these programs were under the aegis of a government that they were able to move smoothly into the broad array of public programs to be assured of continuity and to have a significant impact on a great number of older people in New York City and even nationwide.

Clearly, there are significant benefits to be gained from public private partnerships, and yes, there are also potential risks. Let me first address the risks, especially those that are specifically raised in the Administration on Aging memo.

First is the issue of exclusivity. Under no circumstances should a public agency enter into a contract with a corporate partner that would require it to withhold services from any other group within its service area. This issue can be addressed by clearly interpreting the role and mission of the area agency. No new legislation is needed for this.

A second risk is the possible creation of two-tiered services. A greater benefit should not be provided to a corporate partner than one offered to the public-at-large. The quality and extent of service given by an area agency should be of the same caliber, regardless of the recipient.

Public private partnerships for elder care or any other service should not weaken the area agency's targeting efforts to those older persons with the greatest economic or social need, especially low income priorities. Indeed, public private partnerships enhance the area agency's capacity to target because corporate support makes it possible to devote more public funds to outreach and service to target groups while simultaneously extending outreach to other groups.

As to the issue of cost, public private partnerships should pay their own way. Unless area agencies fully understand and build the cost of service provision into the partnership agreement, subsidizing the partnership with public funds will occur. This can be avoided and is avoided.

Against these risks we must weigh the multiple benefits of private funding for new projects. First, a service can be created and expanded for many ethnic groups and implemented across the city, not merely in one demonstration site, by using public private dollars.

Second, because the public agency has a responsibility to address the needs of all the elderly, not just a single group, the benefits of the partnerships are bestowed equitably.

Third, a public agency can act quickly to demonstrate a new service that the government bureaucracy is not yet ready to take on, or is not convinced is really needed, if you have the private dollars.

Fourth, the combined public private voluntary approach creates a credibility, prestige and acceptance that serve as a catalyst to attract more funds from both the private and public sectors.

Fifth, the public agency's role in administering programs and in ensuring their accountability is recognized and accepted by the private sector.

Sixth, the private sector's relationship with Government is strengthened in a way that builds trust, confidence and competence beyond the immediate project.

Seventh, once a program demonstrates its effectiveness—and this is possible with private dollars—it is easier to obtain public funding, giving the agency the capability to institutionalize the program, expand it, replicate it, and establish it as part of its ongoing services.

Eighth, the public private initiatives raises the consciousness of the private sector regarding aging needs and issues, and as a result, helps create new advocates.

On balance, based on our experience, we believe that the benefits of public private partnerships far outweigh the potential risks.

A final point. While we strongly urge that Congress encourage such initiatives, we would not want to see public private partnerships legislated. As the Administration on Aging indicates, these partnerships are part of a range of options available to area agencies to help meet growing service needs. In order for partnerships to be developed and effectively carried out, localities must have flexibility to meet local conditions and needs. Moreover, regulation would be a significant barrier to business participation. Of course, area agencies should be expected to ensure that the risks I have noted are avoided and that their statutory mission and responsibilities under the Older Americans Act are met. We would welcome guidelines, but we would not welcome regulation.

In conclusion, let me say that public private partnerships exemplify one of the most significant models to help assure the quality of life for the elderly and for their care givers. Let us work together to foster, not to impede, their development.

Thank you.

[The prepared statement of Dr. Mathai-Davis follows:]

The City of New York

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TESTIMONY

PREMA MATHAI-DAVIS, COMMISSIONER

NEW YORK CITY DEPARTMENT FOR THE AGING

PUBLIC-PRIVATE PARTNERSHIPS: THE OPPORTUNITIES, THE RISKS

at a

HEARING

SPONSORED BY

HON. THOMAS J. DOWNEY

CHAIRMAN

U.S. HOUSE OF REPRESENTATIVES

SELECT COMMITTEE ON AGING

SUBCOMMITTEE ON HUMAN SERVICES

House Office Building

Washington, D.C.

June 5, 1990

Good morning. I am Prema Mathai-Davis, Commissioner of the New York City Department for the Aging, which is both a department of our City government and the largest Area Agency on Aging in the country. It is an honor to be here today to address this hearing on a subject of growing importance to the aging network: Public-private partnerships.

We are all aware of the profound changes taking place in our nation as the number of older persons continues to grow and especially as the number of very old among them increases dramatically. The impact of these changes is being felt in every sector and on almost every institution. This growth has also brought with it an explosive demand for services to support and sustain the elderly.

While government has assumed the prime responsibility for these services--and I believe it should continue to do so--nonetheless at this point in history government cannot do it all. There is a gap between what government is able to provide and what needs to be done. Based on nearly 10 years of experience with foundations and businesses, we in New York City feel that public-private partnerships are ideally suited to bridge this gap. All our partnerships have been built on mutual goals and benefits.

Let me briefly describe several of these efforts for you.

CITYMEALS-ON-WHEELS

Citymeals-on-Wheels was born out of the concern of a group of food-world leaders and the New York City Department for the Aging for the isolated homebound elderly who depend upon five government funded meals a week. Because government funds are limited, they received no meals on weekends and holidays.

In 1981, two food-world leaders, the late James Beard and Gael Greene, offered to undertake a holiday season fund-raising effort for Christmas and Chanukah meals for the homebound elderly. Encouraged by the success of that effort, the private sector supporters and the Department formed

a partnership to raise funds for weekend meals throughout the year. This joint effort was never meant to replace the government responsibility but to supplement it. At the outset Citymeals-on-Wheels established a unique policy: Every dollar contributed would go directly for the preparation and delivery of the meals throughout the city, which would be done through the voluntary agencies also responsible for the weekday meals. The Department's ability to "piggyback" Citymeals operations onto its existing meals program permitted the most cost effective use of funds raised.

As the program grew, it became apparent that support for staff and administration would be necessary. Recognizing the importance of both maintaining this "100 percent of contributions for meals" policy and the need for adequate staff and other operating expenses, a foundation, the New York Community Trust, allocated a $50,000 seed grant for administration. This policy has proven to be extremely valuable in obtaining administrative support from other foundations and corporations, pro bono contributions of valuable goods and services so necessary for fund raising activities, and City support--thus generating more contributions for meals from New Yorkers in all walks of life.

Last year, a record $4.3 million was raised for meals. Now, Citymeals is providing some 800,000 meals a year to frail elderly New Yorkers. The Department distributes the funds equitably to 125 voluntary agencies, ensuring that elderly throughout the five boroughs are the beneficiaries of the contributions. Many of these agencies, which are small and in poor neighborhoods, could never have raised such money on their own. Through its fund-raising activities, the Department has also educated and sensitized the public to the needs of the elderly.

Furthermore, in response to requests for assistance and information from other nutrition programs across the country, which wanted to establish programs like Citymeals-on-Wheels in their own communities, the Department

launched Meals-on-Wheels America. Funded by two corporations, this national technical assistance program has enabled 30 communities in 25 states to develop their own local fund-raising efforts that have generated $1,000,000 in private monies to provide 750,000 additional meals for the homebound elderly their programs serve.

HEALTH PROMOTION SERVICES

In keeping with the Surgeon General's emphasis on health promotion and the importance of good health habits, in 1980 the Department for the Aging initiated a small hypertension control pilot project, funded by the Ittleson Foundation and conducted in association with Cornell Medical College/New York Hospital, to foster good health practices among the elderly. The success of this program, which used senior volunteers and was conducted in senior centers, convinced the Department of the importance of health education activities for the elderly. Yet government was not yet ready to put tax dollars into health promotion programs for seniors, a concept still on the cutting edge of human services. Thus, in 1984 the Department designed a proposal for a cost-effective model for health promotion, Project Stay Well, a three-year demonstration project to be based in selected senior centers. In an innovative approach, the Department, with the assistance of the New York Community Trust involved other grantmakers over a three-year period, to support Stay Well. These included the Trust, Morgan Guaranty, Exxon, the Uris Foundation, the Metropolitan Life Foundation, the J.M. Foundation, the Florence V. Burden Foundation, and Pfizer Corporation. These funders formed an advisory committee helpful in the development of the total program.

Conducted in cooperation with the New York Academy of Medicine and with the pro bono resources of 75 voluntary health organizations, a 12-session health curriculum was developed and subsequently senior volunteers were trained to lead various activities like exercise classes, walking

clubs, and stress management sessions for other older people; to conduct hypertension monitoring; and organize health forums for the broad senior center membership as well as for the community.

Once Stay Well became established, the City was so impressed by the responsiveness of seniors, the interest of the service providers and the needs for wellness services that it agreed to assume financial responsibility following the demonstration period.

The Department has been able to start more Stay Well programs, enriching the activities of many senior centers and other facilities citywide that did not have the capacity to offer health promotion activities. Today, entirely supported by the City, health promotion activities are conducted at more than 80 senior centers, libraries and community centers under the leadership of 400 senior volunteers and staff of Stay Well and of the various facilities. These involve 3,500 older New Yorkers every week of the year.

Furthermore, with the program's continuity assured by tax levy funding and a firm base established, Stay Well has been able to expand its scope. In recognition of the emotional and psychological needs of seniors, a mental wellness component is being added with support from Community Trust, Exxon, Ittleson and Morgan Guaranty. Also, with funding from the Brookdale Foundation, Exxon and two other private donors, Stay Well will be launching a technical assistance program to replicate the New York City Stay Well in other New York State communities.

THE NEW YORK CITY ALZHEIMER'S RESOURCE CENTER

To respond to the needs of Alzheimer's families who had nowhere to turn for help in coping with the disease's devastating effects, the Department for the Aging established the Alzheimer's Resource Center in 1984 as a joint public-private effort. The Center was initiated through matching funds provided by the Brookdale Foundation, the City of New York, and with

subsequent additional support from the Ittleson Foundation and Sandoz, Inc.

As a comprehensive information, referral, counseling and education service, the Alzheimer's Resource Center links Alzheimer's patients, their families and professional care providers with appropriate services.

Private support enabled the Center to produce a group of useful publications. "Caring: A Family Guide to Managing the Alzheimer's Patient at Home," has been distributed widely in this country and abroad, with translations in French and German. "Alzheimer's Disease: Where To Go For Help in New York City," is updated annually. A national survey, "Agendas for Action: The Aging Network Responds to Alzheimer's Disease" was carried out and published by the Center in cooperation with The Brookdale Foundation Group; it demonstrates not only that the national aging network had mobilized to meet the Alzheimer's challenge, but stimulated communities across the country to adopt new approaches to do so. Data from "Agendas for Action" were used in 1986 testimony before the United States Senate Committee on Labor and Human Resources, Subcommittee on Aging, which sought to investigate the impact of Alzheimer's disease on families. It is significant that the 1987 amendments to the Older Americans Act contained a new provision, "Title IIID--Non-Medical In Home Services for the Frail Elderly," which included first time funding for programs that provide services to families and designated special consideration to Alzheimer's families.

In addition to private support, the New York City Alzheimer's Resource Center also received funding from the federal Administration on Aging to provide a special legal component that offers expert legal guidance on matters critical to long-term planning for Alzheimer's families.

The private seed money permitted the Center to establish itself and prove its services both necessary and effective. As grant funds have been phased out, City dollars continue to sustain the Center. Today the Alzheimer's

Resource Center provides counseling, legal and financial planning, and guidance on nursing home placement to over 2,600 families as well as 6,800 hours of in-home respite care. Another 5,700 people are reached through the Center's educational outreach program.

EMPLOYMENT

Over the past decade, two demographic trends have converged to stimulate the employment of older workers. Fewer younger workers, especially those with the necessary skills, are entering the job market. At the same time, more older men and women, possessing education and experience, want to work in their later years.

The Department for the Aging's Title V program provides subsidized training and employment for hundreds of low-income men and women, age 55 and over, in public and voluntary agencies throughout the city. But the Department became aware that the Title V program was not addressing the emerging needs of mature job seekers who were above its income eligibility requirements. We also found that the business community was becoming increasingly concerned about finding dependable, qualified employees. It, therefore, was a logical step to join with the private sector in a mutually beneficial effort to match the skills of older adults with the needs of business.

The Department, therefore, convened in 1980 the first employment fair for older workers called "Ability Is Ageless." This job fair, co-sponsored with WNBC-TV and the New York Chamber of Commerce and Industry, is now an annual event, attracting more businesses each year. The 1989 Ability Is Ageless Fair, our 9th, had 130 private sector exhibitors interested in hiring older men and women. A noteworthy fact is that each year, there has been a qualitative improvement in the educational and professional caliber of the older adult attending the fair in search of employment.

To expand the opportunities for the older worker and to also educate the business community to the advantages of hiring older adults, the Department established the Senior Employment Service with New York City funds. This program has an advisory council of private business leaders.

Most recently, we initiated the Corporate Membership program to enhance and increase our job recruitment, training and placement efforts. Employers who join the Program have the option to chose those services that best meet their needs. Among these are: cost-effective, personalized screening and recruitment; assistance in implementing a Retiree Skill Bank; pre-retirement seminars; and outplacement services for older employees.

Corporate support from this Program enables the Department to train more mature job seekers in technological skills, such as, word processing, that are most needed in the city's expanding service industry. The Department's long experience with recruiting and training older workers has made us a natural and effective partner in this venture that keeps older people in the economic mainstrean while filling a very real need of the business community.

THE INTERGENERATIONAL WORK STUDY PROGRAM

The Intergenerational Work Study program was launched in February 1987 to address an urgent urban problem--the large number of high school dropouts--with financial support from a New York City philanthropist.

The Department for the Aging, together with the Board of Education, designed a program that would help those students most at risk of dropping out, by offering them a meaningful work experience with the elderly, incentives to stay in school, and individual attention in a structured

environment. In addition, through this program older New Yorkers would be the beneficiaries of thousands of hours of service.

Key to the success of this program, is the close cooperation between the school and the work site, with specially designated teachers and work-site supervisors assigned to work with the students.

The school selects students in their sophomore or junior year to involve them in the Program early enough to make a difference in their progress in high school. The schools have also adapted their schedules so that the student can work at neighborhood senior centers or nursing homes for half a day, four times a week. Class work is integrated with the students' work assignments, including a special curriculum on "Aging" and on the "World of Work". The students receive stipends and school credit.

The policy was established that a student who is absent from school cannot work or receive a stipend for that day. This rule is strictly enforced to emphasize the importance of responsibility and a strong work ethnic.

An interesting by-product of the program is that warm relationships have developed between the students and the elderly, perceptions of each generation toward the other have changed, and greater understanding, friendship and mutual respect have grown.

After the first three successful and privately funded semesters, the Board of Education enthusiastically picked up the Program, which continues under the administration of the Department for the Aging. As a result, in 3 years the Intergenerational Program, which began with 50 students from 4 high school assigned to 9 senior centers, has been able to expand to 350 students from 18 high school sites working in 99 senior centers and nursing homes.

It was the initial private grant that permitted the Intergenerational Program to be launched, to prove itself and to gain substantial public support for its continuity, expansion and ability to improve the lives of hundreds of teenagers and elderly.

THE PARTNERSHIP FOR ELDERCARE

The last public-private initiative of the New York City Deparment for the Aging that I would like to describe is the Partnership for Eldercare, which you indicated is of special interest to this Committee.

The Partnership for Eldercare began in 1988 as a two-year demonstration project set up by the New York City Department for the Aging with grants from the American Express Company, Philip Morris, and J.P. Morgan & Company to offer much-needed guidance and information to working people who are faced with the problems of caring for elderly relatives.

Companies are becoming increasingly concerned with work and family issues like eldercare. Indeed, eldercare has been called the employee benefit of the future. That's understandable when you consider three facts: firstly, more than half the nation's women, society's traditional caregivers, are in the workforce; secondly, the number of elderly 75 and older, the group most likely to need some kind of care, is growing the fastest; and third, families are providing 80% of the care that elderly people receive.

The goal of the Partnership for Eldercare is to enable families to continue to give that care effectively. A major emphasis of the project is to educate the caregiving generation so they will be aware of what local resources are available before they are suddenly facing a crisis with elderly parents or with themselves in the future.

American Express approached the Department for the Aging, with whom it had been working closely for several years on Citymeals-on-Wheels program, to begin such an initiative. Philip Morris and J.P. Morgan were enthusiastic about supporting this demonstration project because they, too, were keenly aware of the changing demographics and the increasing involvement of their employees in caring for elderly family members - an involvement that had an impact on productivity, the quality of work and morale.

These companies turned to the New York City Department for the Aging because, as the Vice President of Human Resources Policy at J.P. Morgan put it: "We knew from our past experience that the Department for the Aging had the expertise, experience and organization already in place to provide what was needed by employees with caregiving responsibilities."

The contributing corporate partners were interested in developing the most-needed components of an eldercare program for both private- and public-sector employees, and so set up four test sites: American Express, Philip Morris, the New York City Department of Personnel and the New York City Health and Hospitals Corporation.

The Partnership for Eldercare offers a service menu from which the four test sites may select services that best fit their needs. These services fall into three basic categories: informational group services such as seminars, to inform caregivers and potential caregivers of benefits and services for older people; assistance to individuals to resolve specific eldercare problems; and training and technical assistance for management and human resources staff of the corporate partners.

Not only is the New York City Department for the Aging equipped to assist caregivers locally but as an Area Agency, we can tap into a nationwide aging network to assist families with long-distance caregiving.

In addition, a recently awarded Robert Wood Johnson grant will enable the New York City Department for the Aging to thoroughly assess and document the Partnership for Eldercare experience, to help guide eldercare programs in other areas and serve as a basis for the future direction of the New York City program.

These programs have proven themselves effective in addressing concerns that have now moved to the forefront of society's consciousness, yet, at their inception, they were not government priorities, although the Department for the Aging saw them as a means for addressing the emerging service needs of older adults. It was private funding that transformed these initiatives into working programs. But it was because these were programs under the aegis of a government agency that they were able to move smoothly into the broad array of public programs, to be assured of continuity, and to have a significant impact on a great number of older people in New York City and even nationwide.

Risks & Benefits

Clearly, there are significant benefits to be gained from public-private partnerships and, yes, there are also potential risks.

Let me examine the risks first.

The recent memorandum issued by the Administration on Aging on the subject of relationships between Area Agencies and the corporate sector in regard to eldercare services for employed caregivers raises the issue of whether these relationships may contravene the public purpose mission of Area Agencies by leading to exclusivity, two-tiered services, subsidizing of services to the corporate sector, and reduced emphasis on appropriate targeting and identification of the population most in need.

First, with regard to the issue of exclusivity. We fully agree with AoA that under no circumstances should a public agency enter into a contract to provide a service to a corporate partner that would require it to withhold the same or similar services from any other group within its service area. We believe that this is an issue that can be addressed by clearly interpreting the role and mission of the Area Agency.

Secondly, with regard to the issue of the possible creation of two-tiered services we would not support establishing an enhanced service for a corporate partner which provided greater benefit than the same service offered to the public at large. We firmly believe that the quality and extent of service given by an Area Agency should be of the same calibre regardless of who receives the service.

Insofar as targeting is concerned, we do not believe that entering into public-private partnerships, for eldercare or any other service, should weaken targeting efforts by the Area Agency to those older persons with the greatest economic or social need, especially the low-income minority older persons. Indeed, we see public-private partnerships as giving Area Agencies an enhanced capacity to target because corporate support makes it possible to devote more public funding to outreach and service to target groups while simultaneously extending outreach to other groups.

The AoA memorandum also raises the issue of cost. We are in agreement that public-private partnerships should pay their own way and that public funds not be used to supplement these services. Unless, Area Agencies fully and accurately understand the cost of the provision of these services and build these costs into the partnership agreement, subsidizing the partnership with public funds will occur. This is a risk which must and can be avoided.

Against these risks, we must weigh benefits of private funding for new projects. From our perspective there are multiple advantages in such partnerships.

* A service can be created or expanded for many ethnic groups and implemented across the city not merely in one demonstration site.

* Because the public agency has a responsibility to address the needs of all the elderly not just a single group, the benefits of the partnerships are bestowed equitably.

* A public agency can act quickly to demonstrate a new service that the government bureaucracy is not yet ready to take on or is not convinced is really needed.

* The combined public-private-voluntary approach creates a credibility, prestige and acceptance that serve as a catalyst to attract more funds from both the private and public sectors.

* The public agency's role in administering programs and in ensuring their accountability is recognized and accepted by the private sector.

* The private sector's relationship with government is strengthened in a way that builds trust, confidence, and competence beyond the immediate project.

* Once a program demonstrates its effectiveness, it is easier to obtain public funding, giving the agency the capability to institutionalize the program, expand it, replicate it, and establish it as part of its ongoing services.

* Private sector consciousness regarding aging needs and issues is raised and new advocates are developed.

On balance, based on our experience we believe that the benefits of public-private partnerships outweigh the potential risks. However, we do not minimize them and we do feel that they must be carefully addressed before any undertaking begins.

A final point. We applaud the Administration on Aging's recognition and support of public-private partnerships as a significant contribution to meeting the needs of older persons within the structure of the aging network.

However, while we strongly urge that Congress also encourage such initiatives, we would not want to see public-private partnerships legislated. As the Administration on Aging indicates, these partnerships are part of a range of

options available to Area Agencies to help meet growing service needs. In order for partnerships to be developed and effectively carried out, localities must have flexibility to meet local conditions and needs. Moreover, regulation would be a significant barrier to business participation. Of course, Area Agencies should be expected to ensure that the risks I have noted are avoided and that their statutory mission and responsibilities under the Older Americans Act are met. We would welcome guidelines; we would not welcome regulation.

In conclusion, let me say again that the rapid growth of the elderly population and the consequent increase in services needed by them, call for all sectors to join together in creative, innovative ways to help assure and improve the quality of life for the elderly and their caregivers. Public-private partnerships exemplify one of the most significant models to achieve this goal. Let us work together to foster, not to impede their development.

Mr. DOWNEY. Thank you, Dr. Davis.
Mr. O'Neill.

STATEMENT OF JOHN F. O'NEILL

Mr. O'NEILL. My name is John O'Neill. I am Executive Director of Somerville-Cambridge Elder Services. I almost thought for a moment I was going to lose my testimony on the cab ride over here. I was able to regain my composure once we arrived.

My agency is an Area Agency on Aging. It is also, however, an elder home care and nutrition program, a protective service agency, and a nursing home ombudsman agency.

I would like to begin my remarks by putting the private public partnership that we have engaged in into context because I think that's important, the reason why we've engaged in it, and not just what we're doing. I think it gets at some of the concerns.

The reason why we entered into it was that, based on our long-range planning process, we really determined that, for the future of services for low-income people, it was very important that we provide services to people of all incomes based on their need.

The way of doing that was we catalogued how can we find different ways of funding. Well, one thing obviously is through public moneys. Can you expand eligibility criteria? So we worked with the State of Massachusetts to do that, to extend the eligibility criteria for those people who can receive in-home services. It's a State-funded program and is rather successful. Right now, almost 60 percent of all the individuals in Massachusetts are eligible for the home care program.

We have also been interested, of course, in things like the Pepper bill and other forms of long-term care insurance. However, there are things we want to have more control over on a day-to-day basis, and so we took a look at foundations for moneys and then we went to the corporate sector. We also looked at the unions.

On the corporate side of it, we saw it as an opportunity of extending our ability to outreach people, outreach including families and friends. We don't look at it as the company is the one there to do business with. We're there because there are people there, family members, who have needs. Some of the things that we provide to those corporations include: "here's what we have to offer; we know that you have needs." We tie it into their productivity because that's the sort of thing they have to have a hook in. It is all well and good to rely on their altruism and say this is the sort of thing you should be doing, but then they have to go beyond that.

So things like the Traveller's study, which I'm sure you're aware of, as far as the amount of time that employees actually take away from their job on a yearly basis, a weekly basis, towards caring for family members, that kind of information is given to corporations. Once we're in there, we have a series of seminars that we can give, ranging from how to care for aging relatives, special care for Alzheimer's patients, the nursing home process—which can be a frightening experience for a lot of people. We also do caregiver fairs, where we not only are providing the service—a good example of what we're trying to do is bring together a whole bunch of resources. We'll have someone from the Social Security office, some-

body from Medicare, all the different players that are important in the comprehensive network of services for people all together in one spot. So that is one of the services that we provide to the corporations.

I think it is significant to note that most of the referrals that we get—we do private case management on a fee-for-service basis, and we do fee-for-service respite and a number of other services, but the overwhelming majority of our referrals from our corporations are from publicly-funded services. These people are eligible. To me, who better than a publicly-funded entity, with a mission such as the Area Agency on Aging, to make sure that people receive everything that they are entitled to by law and by regulation first as part of the package, rather than having to go to one place publicly for one group of services, to another place for private services.

Whereas, if we were strictly a private entity—and we know, because we have many private competitors in the marketplace—I would look at it entirely differently. I would think in terms of the services I have to offer. I have products to offer and I want people to buy them. I don't have to have that mentality when I'm an Area Agency on Aging as well as engaged in the provision of services through the corporate sector.

Logically, we're looking not just at a list of products that we have to offer but a ready-made package. When the Stride Rite Corporation approached us about the idea for intergenerational daycare, it was something we were already looking at. It was interesting. Within a day of one another, we called them the day before they were going to be calling us, and on the same type of idea.

They went beyond us. We were thinking in terms of older people working in child daycare, and also as a way of helping our employees find daycare, and they were interested in going beyond. At a center that they would fund, they have daycare whereby there is joint programming. Not just co-location, but actually times of the day when the elders and children together have joint activities. This is happening. It has begun. After about 4 years of work and a lot of painful effort, that began.

The other thing that should be noted is that it's not the usual way of doing business. You don't go in and knock on somebody's door and say here's what we have to offer. It is more like 6 to 9 months, usually the quickest, that we arrange a contract with a corporation. It takes a lot of work. It's not something they're convinced about when you walk in the door, that, "yeah, this is a great idea and this is what we want to do."

Another thing we're engaged in, because of the same kind of openness, is how can we expand the services. The driving force behind what I personally have been trying to do with my agency is that we don't bring services to middle-class people. They are not going to continue to fund services for low-income people. I was saying this before Massachusetts had the difficulties that they now face and what has come to pass. Right now we have a circumstance that, no matter what kind of long-term care insurance is being offered in the State, no one can buy the type of insurance that will cover the services that we can offer people that are low income. You cannot buy it in Massachusetts. I think, to the extent that that continues to be the case, to the extent there is any service

that the public-at-large cannot avail themselves of, that weakens that service.

The litmus test of quality of care in this country, and for human services, has always been can you buy it? If you can buy the service, people value it more. So the perfect thing is to have a mix of the two kinds of services—the public and the private together.

Another instance was working with an industrial cooperative association to develop a worker-owned, homemaker health aid agency, similar to the one successfully developed in New York City. That, to us, is another means of investing in the service network. We need quality workers. We are also concerned about what happens to those workers, that they are able to get a living wage. Also, however, it fits into our goal, because what we're trying to do is—part of the arrangement is we will get free care for people who are over income but who cannot afford to pay what the private market will bear. Right now, in Massachusetts we're talking about over $12 an hour for homemaker services. There are very many people who cannot afford that kind of care.

Once again, a co-op is a profitmaking venture. A part of those profits, our intention has been from the beginning, with the moneys that we are earning from the corporate sector, to set up an endowment fund. We are going to be setting up a subsidiary corporation, but we're not setting up a proprietary corporation. It's going to be another nonprofit. We have no interest at all in gaining profit for any corporate members, but only to benefit those people who our basic mission is all about.

I would like to quickly switch now to the program instruction that the Commissioner has promulgated. Even though my remarks may seem in some ways critical, I would certainly preface that it's more my background and training, my Jesuit schooling, and also I was in the Jesuits for a while. I always have to think in terms of what more can you do rather than, "jeez, you've come so far." Certainly the Commissioner has come a long way. It is really a breath of fresh air for not only this program instruction but in almost everything that she has done long before she was formally installed, since she first assumed the duties of Acting Commissioner. So I wanted to make that clear.

When I first saw it, you know, are they going to ruin a good thing? Here we are, and they don't give us the money to do it. We have all sorts of mandates from the Older Americans Act. As far as the Area Agency on Aging, I'm getting the same amount of money in 1990 as I got in 1980, and I've been the director of my agency since 1979. So I have seen that history. So I have no more money.

Every time there's another reauthorization, I see a whole list of other things that are worthwhile—protective services, Alzheimer's, education, all great. But all it means is more compliance, things that you have to put in your area plan, without any more resources that are going to be forthcoming. Yet, the expectations are there. People hear about what the area agencies are going to be doing, so we start getting calls from family members, from other agencies, looking forward to these new resources that are going to be available—and they aren't there.

So in this case I have to think in terms of 8 percent of my budget being money that I receive as an Area Agency on Aging. The over-

whelming majority in the agency has chosen to be an Area Agency on Aging, consistent with an overall mission. We were in existence before we were an Area Agency on Aging and, hopefully, the history of the Area Agency on Aging will live as long as the network will endure.

Things that I read in the Commissioner's report, specifically that States should set up regulations to ensure the confidentiality of the material in the private contracts. Why in the world would you want to get involved in the confidentiality of the private contracts? Isn't it contradictory with what you're saying, that you want to have a separation. Also, it talks in terms of "if it's okay with the IRS, it should be okay with AOA." By that I mean, there's something called nonrelated business income. If it is not something that is consistent with the purpose of our nonprofit status, then we will be paying taxes on it. If it's something that is not consistent with our nonprofit status, with our mission, then, in fact, we won't just have to worry about AOA; we would have some problems with the IRS as far as reporting.

When I see the public private partnership, I think of the newsletter that I have a corporation do, that goes out to all our clients. I think of the publishing in exchange for services to Stone & Webster Engineering that provides brochures to go out to all our clients. I think of, as I've already mentioned, the type of moneys we get from contracts that we're putting into a pool that we already are using to subsidize services for people who can't afford to pay for it. So I see some tangible benefits.

What about a two-tiered system? Two-tiered systems exist now in Massachusetts for quality of care. Even apart from a public private partnership, what we are doing with the area agency responsibilities, it was existing before in our State home care responsibilities. The reason why? Primarily a two-tiered system exists because we're so hamstrung usually by the regulations. Even though the State is paying the money, it is certainly sufficient and their money is as good as that in the private sector, the State says you deliver the services in this way. Then we have families out there who say this is what our needs are. We can't provide that necessarily.

What happens now is we have more blocks to fit people into, but they're still square blocks, and our people come in all shapes and sizes. I think that's the danger when I think in terms of any kind of Federal regulations. Whatever you do, if you have difficulties with the way a particular agency is handling their responsibilities—in this case, the Area Agency on Aging—you deal with that problem. You don't come up with a regulation that's going to hinder a hundred good things to solve the one problem as you may see it.

Finally, in these times, when there is such a shortage of public resources, and there will continue to be a shortage of public resources, we can't afford to not only restrict, but we should be positively encouraging and aiding in every way possible the Area Agencies on Aging to be availing themselves of other resources, so that, in fact, the end goal—I think this is what my fear is, unfortunately—that we take things too seriously. We take our role as an Area Agency on Aging, as a State unit on aging, an office on aging, as

the whole world. We are all tools to arrive at an end point, which is to enhance the quality of life of older people in this country. Very pragmatically, anything that can do that, I know my agency is going to strive to do.

Thank you.

[The prepared statement of Mr. O'Neill follows:]

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Massachusetts Association of Home Cares and
Area Agencies on Aging

Before the U.S. House of Representatives
Select Committee on Aging, Sub Committee on Human Services

PART I - INTRODUCTION

Somerville-Cambridge Elder Services, Inc., is a private, non-profit organization dedicated to addressing the needs of urban elders. Founded in 1972 as part of a national movement toward community-based care of the elderly, Elder Services serves a continuum of needs, providing programs for all elders from the most frail to the most healthy through its Home Care, Nutrition, Protective Services, ElderLink, and Area Agency programs. In 1989,

* Elder Services served over 6,000 clients.

* through the state funded Home Care Program, 2,442 clients received services such as assistance with personal care, light housekeeping, laundry services, social daycare, and emergency shelter.

* a total of 3,525 clients received home-delivered meals or meals and companionship at 11 congregate meal sites through the Nutrition Program.

* 72,331 trips were provided through the Transportation Program to elders to and from medical appointments and for food shopping needs. Additionally, 207 frail or disabled elders were safely escorted on 1,392 trips through the Escort Program.

* through the Long-term Care Nursing Home Ombudsman Program, 33,772 visits were made to nursing and rest home residents to ensure the quality of their care.

* 241 elders and their families benefited from the Respite Program, which provided relief care for caregivers.

* through the Job Match Program, 77 elders were placed in paying jobs.

* a total of 1,887 inquiries for information were handled in the Intake and Referral Department.

Somerville-Cambridge Elder Services has always sought innovative solutions to identified community needs. It was the first home care in the state to offer respite care, and in 1983 its respite program was chosen by the National Council on Aging as a model for the entire country. It was the first in the area to establish an employment program for older persons, the first

to establish a nutrition luncheon club program, and the first in the country to collaborate with private industry to develop an intergenerational day care center serving children and elders together.

As part of a long-range planning process in the mid-1980s, Elder Services adopted as one of its guiding principles the provision of services based on need, not income. In particular, we decided that ways and means had to be found to extend casemanagement, in-home services, and our abilities to provide services to low-income elders utilizing state monies to working class, middle-income, and upper-income elders and their families.

Indeed we saw that the future of continued support for services to low-income elders would be contingent upon our ability to give the majority of elders and their families a vested interest in these services, thus gaining an appreciation for their value and efficacy. The best way to achieve this goal was seen as to dramatically increase access to elder care to these populations.

ElderLink

Older Americans Act monies were not a viable source of funding for this effort, since we have been virtually level-funded since 1980. Advocacy at the state and federal levels on behalf of extended long-term care benefits for all was one route we chose to explore, and we continue to work on this approach. We also pursued special demonstration projects; and finally, we established the ElderLink Program as our best hope toward achieving our goal locally and perhaps even shaping larger system-wide changes.

ElderLink was thus designed as a vehicle to contract with private and public corporations and institutions to fund services for their employees. ElderLink was considered a catalyst for developing programs that are needed but do not currently exist in the community. Finally, ElderLink was seen as raising funds and utilizing earnings from its corporate programs to develop an endowment fund that in time would help finance a sliding fee program for in-home services to needy elders.

ElderLink would also give us the opportunity to avoid the trap of our public funded services and programs, i.e., that elders are squeezed into the services that have funding streams whether or not those services are the most appropriate or efficient for them. Services, not client needs, drive most publicly funded care programs. ElderLink, on the other hand, seeks to tailor its services and products to our customers'

needs, be they companies or elderly consumers directly. Even though we offer a package of products (see Attachment A), a company can purchase any one part of the package or have a program specially tailored to its needs.

One company may purchase one or more of our seminars or the complete seminar package; another may want training only for managers in how to support caregiving employees; while another may want on-site consultation for its employee base.

One company (Stride Rite) requested our assistance in developing an intergenerational day care program. This Center, after almost three years of work, recently became operational (see Attachment B). We are working with yet another company to establish a worker-owned homemaker-home health aide agency. Harvard Divinity School has contracted with us to provide a course next fall to instruct its students on aging and aging issues.

We recently contracted with the Child Care Resource Center and Child Care Resource Exchange, non-profit agencies that provide child care services to corporations, to jointly market a comprehensive Dependent Care package of products to corporations. In the fall we will begin a Home Repair Program, to be followed next spring by a Money Management Project.

Looking ahead, ElderLink will continue to work with the private sector and with consumers directly to adapt and adjust our offerings to better suit their needs.

PART II - Regarding the Administration on Aging Program Instruction on Elder Care (AoA-PI-90-06)

Is the proverbial glass half empty or half full? On the one hand, Commissioner Joyce Berry is to be lauded for her willingness to go beyond her predecessor's very narrow interpretation of permissable activities of involvement for Area Agencies on Aging. Her positive support of Elder Care programs is certainly welcome. Yet I have a fundamentally different perspective than she does on this issue.

Can and should the Administration on Aging and State Units on Aging set policy for the expenditure of Title III monies and for the operation of Area Agency activities? As long as they are consistent with the Older Americans Act, certainly. However, my agency and all but two of the other 22 Area Agencies in Massachusetts existed and were providing services to elders before Area Agencies were even conceived.

Being an Area Agency does not exhaust my agency's corporate identity. It is only one program administered by my agency, though its vision permeates the entire agency. Title III monies represent only eight percent of my corporate budget. To say, therefore, that all activities of Somerville-Cambridge Elder Services should be subservient to Area Aging Policy determinations is not acceptable. No one would suggest that a county's total operational or even all of its Human Services programs are subject to AAA regulations because they house an

Area Agency. It is interesting to note that State Units on Aging, which are subject to a higher standard of accountability under the Older Americans Act than are Area Agencies, do not seem to be coming under special scrutiny for their elder care activities.

Somerville-Cambridge Elder Services as a corporation has one mission statement. This serves as the unifying force and measuring stick used to determine whether or not we take on new programs or services. Elder Services chose to manage an Area Agency on Aging, and we also chose to do Corporate Elder Care. We would not accept any program that was incompatible with our overall mission, nor would we assume a new project that conflicted with our responsibilities under an existing program, such as the Area Agency on Aging.

Therefore, we support the Commissioner in her position that we cannot sign an exclusivity agreement with private companies, for such a contract would interfere with one of our basic duties under our Area Agency, i.e., to provide information and referral to all elders.

As for another of the concerns highlighted by the Commissioner, we feel that it is not unfair that Area Agencies have an advantage in developing corporate elder care. Who better to assure that elders receive all to which public monies entitles them than those with access to both forms of support, public and private?

It is the totally private elder care provider who has a vested interest in charging elders, their families, and corporations for everything, whether or not public funds might have been utilized.

Given the Administration's desire to preserve services for low-income elders, the best way to address this concern is to sufficiently fund these activities under the Older Americans Act rather than focus itself on areas that are not strictly under its purview. The irony is that the danger is not that our Elder Care projects will use our AAA resources inappropriately, but that our Area Agency obligations will drain the resources of the rest of the agency, since both Congress and the Administration seem intent on adding to Area Agencies' responsibilities without increasing the funding necessary to fulfill the tasks set out for them.

Our mandate as an Area Agency is not threatened by our engaging in Corporate Elder Care; rather, it is enhanced. All means that further the goals of improving the quality of lives of elders need to be encouraged in these days of very limited public dollar support for aging programs.

Attachment A

ElderLink

OVERVIEW

The Problem

In recent years, employers have been learning that their employees' family problems often spill over into the workplace, affecting attendance, job performance, turnover - and profits. What many employers may not know is that childcare issues are only part of the problem. Millions of American workers are also stressed by the day-to-day responsibility for the care of aging parents.

Chances are, a good many of your most valuable, experienced employees are taking care of one or more frail older relatives. They are helping with daily necessities: grocery shopping, housework, medical trips, and personal care. It's a constant strain to juggle these responsibilites with the demands of work. And it's not getting easier. Since people over the age of 85 represent the fastest growing population group in Massachusetts, the pressure on younger family members - your employees - is growing.

For you as an employer, this trend spells trouble. If you do nothing, you can expect to see increased absenteeism, reduced productivity, and unnecessary turnover. Like many other managers, you may realize that you have no choice but to help employees who are facing problems with their aging parents. But where can you turn?

The Solution

ELDERLINK is a progr m of Somerville-Cambridge Elder Services, a non-profit organization serving elders and their families in Somerville, Cambridge, and the greater Boston area. ElderLink offers services that enable your organization to support employees who are caring for aging parents and relatives.

ElderLink helps caregiving employees and their employers through its six components: Educational Programming, Caregiver Consultation, Care Planning and Management, Community-Based Services, Caregiver Support Groups, and Staff Training.

- Educational Programming features caregiver seminars that provide employees with immediately useful information, enabling them to cope more easily with present and future caregiving responsibilities. A comprehensive resource manual and optional caregiver fairs complement the seminar series.
- Caregiver Consultation gives employees access to experts who help them address their caregiving dilemmas and guide them to appropriate community resources. Consultation is available at the worksite and by telephone.
- Care Planning and Management provides professional in-home assessments, individualized care plans, service implementation, and ongoing monitoring of care.

- Community-Based Services, including Respite Care, offer employees a much-needed break from the constant pressures of caring for a frail elder.
- Staff Training enables your own human resources staff to serve as eldercare resources for your employees.

With ElderLink, you offer your workforce a fringe benefit that benefits you. It is a cost-effective tool for supporting and motivating your most stable, experienced employees.

Welcome to ElderLink...your link to expert help for employees.

ElderLink Clients

ElderLink has provided eldercare services to a variety of organizations since 1983, including businesses, hospitals, professional groups and educational institutions. The following is a partial list of organizations that have contracted with ElderLink:

- Arthur D. Little Company
- The Stride Rite Corporation
- Stone & Webster Engineering Corporation
- The U.S. Department of Labor
- The Charles Stark Draper Laboratory, Inc.
- Boston College
- Brandeis University
- Assured Health Systems, Inc.
- The General Accounting Office
- Digital Equipment Corporation
- Youville Hospital and Rehabilitation Center
- Harvard Medical Center Office for Parenting
- Health Action Forum
- Northeastern University
- Mt. Auburn Hospital

ElderLink will provide references from any of these organizations upon request.

Attachment B

Stride Rite Intergenerational Center

Over the past four years, Somerville-Cambridge Elder Services' contribution to the Stride Rite Intergenerational Center has included 25 percent of a senior management program development position as well as representation on the research, curriculum, training, staffing, and design subcommittees. Elder Services took the lead in the development of the adult component of the day care curriculum, in the formulation of the assessment and eligibility criteria, in the design of the elders' space, as well as in the provision of elder care training to the Intergenerational Care staff. Elder Services also provides referrals and state subsidy to eligible elders.

Our Involvement

We are proud to be a part of this model public/private partnership. The chance to develop a new service option for our elderly clients was an intriguing proposition and coincided with our mission.

Approximately 80 percent of our agency's workforce is women, many of whom are in their childbearing years. Day care options for children in the Greater Boston area are limited. Through the collaboration, Elder Services employees now have the option to place their children - and their parents - in the Intergenerational Center.

Our involvement in the Stride Rite Intergenerational Center

- is yet another example of the innovativeness that has come to be associated with Elder Services
- helps us to promote employment of older people
- heightens the agency's visibility.

The Center

The Stride Rite Intergenerational Center is located within the Stride Rite Corporation's headquarters in Cambridge, Mass. The Center is designed to provide day care to children and elders in the same facility.

Its design allows a traffic pattern that encourages interaction between children and elders while also providing privacy for each group. The Center is divided into two separate wings which are connected through a large common area. The children's wing has four classrooms for different age groups; the elders' wing has three rooms designed for a variety of quiet and noisy activities. The common -- or middle core area -- houses administrative offices, a kitchen and dining facility, and a resource center which includes a conference room and library.

Among the special features of the facility are: wicker furniture and double-hung windows that create a home-like atmosphere while meeting institutional safety requirements; floor surfaces which make mobility easier for frail elders;

"pathfinding," the use of multisensory cues such as colored spots of flooring and subtle changes in lighting and wall colors to help children, tired people, and frail elders find their way around; and specially-designed seating areas that can be used simultaneously by young and old, big and small. The center was programmed and designed by accessibility and barrier-free design specialists Katherine McGuinness and Associates, Inc.

A total of 79 day care openings for children and elders are provided at the Center. The program is intended to serve 55 children between the ages of 15 months and six years, and 24 elders 60 years of age and older. As a continuation of Stride Rite's commitment to the community, approximately one-half of all openings are reserved to serve low-income elders and children from the Somerville-Cambridge community.

The Center serves as a teacher-training site for students and a research site for faculty from Wheelock College and Somerville-Cambridge Elder Services.

The Program

The Intergenerational Day Center meets the physical, social and intellectual needs of each age group through a carefully planned and supervised curriculum which fosters regular daily contact between the elders and the children. Intergenerational curricula is expected to be fine tuned as the program evolves. Activities may include (children/elders

separate and together): reading and writing of stories; table games; celebration of holidays and birthdays; cooking and eating; arts and crafts; and field trips.

Ongoing research and evaluation of the program is expected to provide information on the effects of intergenerational care on children, elders, employees, employers, families and the community.

Benefits

- A model public/private partnership
- Intergenerational understanding
- Cost efficiency by bringing elders and children together in a single day care center
- Resource efficiency by uniting the unique services and expertise of multiple organizations
- Research that will contribute to the limited body of information that exists on the social effects and policy implications of intergenerational caregiving

The Public-Private Collaboration

The Stride Rite Corporation, Somerville-Cambridge Elder Services, Inc., and Wheelock College joined forces to research the issues of dependent care and to create a national model for responding to the crisis in day care for children and elders. The collaboration has set four key objectives for the Intergenerational Day Care Program:

1. To develop a "blueprint" that can be replicated by other institutions and communities nationwide to provide intergenerational day care.
2. To meet the local community's elder care and child care needs.
3. To study the effects of work-based intergenerational day care on children, elders, families, employers, and the community.
4. To broaden and professionalize the study of intergenerational caregiving.

The collaborating organizations hope that the newly developed center will be a valuable option for the public and the private sector organizations which are confronted with the increasing demands of their employees' dependent care needs.

Mr. DOWNEY. Thank you, Mr. O'Neill.
Miss Schramm.

STATEMENT OF CHERYLL SCHRAMM

Ms. SCHRAMM. Mr. Chairman, subcommittee members and guests, my name is Cheryll Schramm, and I am with the Atlanta Regional Commission, an Area Agency on Aging.

I would like to begin with a short quote: "Aging in America has changed. The meaning of the word, the size of the senior population, indeed, the very process of aging itself has changed. So rapid and pervasive are these changes that policy makers and public policies have barely kept up. Trends we see only dimly today, pressuring almost every social and economic structure in our Nation, will completely unfold in the future."

This quote came from the House Select Committee on Aging. I believe it gives us fair warning that the aging network cannot continue to do business as usual. We cannot rely on the Federal, State and local governments to continue to meet the diversity of needs of our aging population. We must look to other means to expand aging services. We believe the vehicle best suited to coordinate this effort are the AAA's.

As the Area Agency on Aging, the Atlanta Regional Commission has developed new strategies to expand aging services, and has turned to the private sector to sponsor a number of special projects and initiatives which have not been funded by the Older Americans Act.

Examples include the region's health promotion activities, including the Walking for Wellness program, the Gatekeeper program, a community education series of seminars on long-term care, a senior employment resource center, and "Aging Atlanta 2010", a comprehensive public private planning effort.

ARC has also turned to the private sector to enhance the service delivery system and supplement those services funded by the Older Americans Act. A prime example is the support provided by businesses to increase the number of home-delivered meals in the region. In fact, over 30 percent, or 100,000 home-delivered meals, are now paid for by the private sector. Donated vans, home repair materials, and senior center facilities are other such examples.

More recently, ARC has taken still another direction with the private sector, that of creative partnerships which have provided the corporate sector with a service and at the same time enhanced the aging service delivery system. One example is our involvement with elder care, defined by a recent AOA program instruction as an information consultation and referral service provided by a corporation on behalf of its employees who are care givers. Other examples of creative partnerships include a retiree health assessment service for corporations, a senior employment hot line for businesses and older workers, a corporate volunteer project, and employee seminars. For the purpose of this presentation, I will concentrate on our involvement with elder care.

At the present time, ARC contracts with Work/Family Elder Care Directions and the Partnership Group, which are both corporate service companies, and we provide elder care to 34 companies

nationwide. ARC also intends to contract with two Atlanta-based companies to provide elder care services for locally based corporations.

Contrary to the opinion that such relationships might compromise the intended role of the AAA, ARC's involvement with these companies has been nothing but beneficial. For example, through our contract with Work/Family, we have received an IBM computer and software which has allowed us to computerize our entire information system. In addition, we received moneys to hire a geriatric counselor who provides backup support to the Aging Connection, our public information referral service.

Further, Work/Family leveraging funding from its clients, which include IBM, Johnson & Johnson, the Travelers, Mobil Oil, has awarded several resource development grants to ARC and has allowed us to develop a daily money management program and a companion aide registry, both which are available to the general public.

Finally, Work/Family has just awarded a contract to ARC to develop a corporate volunteer project. This project will enable us to recruit, train and place employees of selected corporations who are interested in volunteering and helping the elderly.

It is evident through these examples that ARC's relationship with Work/Family and its clients has, without question, strengthened the aging services system—and Work/Family is only one example.

As stated above, ARC believes that AAA's must develop creative partnerships with the public sector if we are to continue to remain credible vehicles of public policy. Such partnerships do not detract from our primary relationship and responsibilities and obligations. Instead, I believe they further enhance our public purpose mission and strengthen the network itself.

We believe that elder care is an excellent example of a mutually beneficial private partnership and that AAA's are ideally suited to provide such service. We support AOA's recent program instruction regarding elder care and the role of the AAA and appreciate its positive approach. We recognize that the State Offices on Aging have a role in elder care—that of developing supportive public policy with guidelines for AAA involvement, and we look forward to working with the State of Georgia in the development of such policy.

In closing, ARC remains fully committed to our public purpose mission and agree with the Administration on Aging that corporate elder care is an extension of rather than a conflict with our fundamental mission set forth under the Older Americans Act.

Thank you.

[The prepared statement of Ms. Schramm follows:]

PREPARED STATEMENT OF CHERYLL SCHRAMM, CHIEF, AREA AGENCY ON AGING, ATLANTA REGIONAL COMMISSION, ATLANTA, GA

Mr. Chairman, committee members, and guests... Certain words, like we all know, have a continuing influence and provide direction long after they have first been spoken. I would like to ask the members of this committee if these words sound familiar.

> "Aging in America has changed. The meaning of the word, the size of the senior population, indeed the very process of aging itself - all have undergone radical transformation in the twentieth century. So rapid and pervasive are these changes that policy-makers and public policies have barely kept up.... Trends we see only dimly today, pressuring as they do almost every social and economic structure in our nation, will completely unfold in the near future."

These words came from this committee--the House Select Committee on Aging--several years ago and have provided direction to us in the Atlanta region as we prepare for the twenty-first century. At the very least, this statement gives us fair warning that the aging network cannot continue doing business as usual. We cannot rely on the federal, state and local governments to continue to meet the diversity of needs of the ever growing aging population and their care givers. We must look to other means to expand the aging services system. And, we believe, that the vehicle best suited to coordinate this effort is the Area Agency on Aging.

The Atlanta Regional Commission, as the Area Agency on Aging for the eight county region, is responsible for planning and for the development, implementation and coordination of services. ARC is also responsible for collecting and distributing information and for serving as an advocate for the elderly, particularly those in greatest economic and social need. In light of our changing society, ARC must further add to its responsibilities, that of seeking creative and innovative ways of meeting the needs of a rapidly growing aging population.

In response, for the past several years, ARC has developed new strategies and has turned to the private sector to sponsor a number of special projects and initiatives which would not have been possible otherwise. (See attached). The private sector

support, in turn, has allowed the region to expand the types of programs and services available for both the elderly and the community as a whole. Recent examples include the region's health promotion activities including the Walking for Wellness program; the Gatekeeper Program; a series of ten community education seminars entitled "A Family Affair"; a senior employment resource center; and "Aging Atlanta 2010, a comprehensive public/private planning effort.

ARC has also turned to the private sector to enhance the service delivery system and supplement those services which are primarily funded through the Older Americans Act, services which are targeted to the most economically and socially deprived. A prime example is the support provided by many businesses across the region to increase the number of meals delivered to the frail, homebound elderly. In fact, over 30% or 100,000 meals served annually to the frail homebound elderly are sponsored by the private sector. Donated vans, home repair materials, and senior center facilities are other such examples.

More recently, ARC has taken still another direction with the private sector--that of creative partnerships which have provided the corporate sector with a service and at the same time, enhanced the aging service delivery system. One example is our involvement with elder care, defined by a recent AOA program instruction as a service provided by a corporation on behalf of its employees who have caregiver responsibilities for elderly relatives. The service basically involves the provision of information, consultation and referral services. Other examples include a retiree health assessment service, a senior employment hotline for businesses and older workers, a corporate volunteer project, and employee seminars. For the purpose of this presentation, I will concentrate on ARC's involvement with elder care.

At the present time, ARC contracts with Work/Family Elder Directions, Inc., and The Partnership Group, both national corporate service companies, to provide elder care services to over 34 companies. ARC also intends to contract with several Atlanta based companies to provide elder care services to locally based corporations.

Contrary to the opinion that such relationships might compromise the intended role of a AAA, ARC's involvement with these companies has been nothing but beneficial. For example, through ARC's contract with Work/ Family, ARC received an IBM computer at no cost and software that allowed us to computerize our entire aging information and referral service. In addition, ARC receives monies through contract to hire a geriatric counselor who also provides backup support to the Aging Connection, ARC's information and referral service for the general public. Further, Work/ Family leveraging funding from its clients which include IBM, Johnson & Johnson, Mobil, and The Travelers, has awarded awarded several resource development grants to ARC enabling ARC to initiate a daily money management service and a companion aide registry, again to be used by the general public. And finally, Work/Family has just awarded a contract to ARC to develop a corporate volunteer project. This project will enable ARC to recruit, train, and place employees of selected corporations who are interested in volunteering. The goal of this project is two fold -- to provide employees with opportunities to volunteer in the community and at the same time, expand and enhance the aging services delivery system, a system that desperately needs additional volunteers.

It is evident through these examples that ARC's relationship with Work/Family and its clients has, without question, strengthened the aging services system allowing us to better meet the increasing demands for service. And Work/Family is only one example.

As stated above, ARC believes that Area Agencies on Aging must develop creative partnerships with the private sector if we are to continue as a primary focal point in the aging network and "remain credible vehicles of public policy". Such partnerships do not detract from our primary responsibilities and obligations set forth under the Older Americans Act. Instead, these partnerships are used to further enhance our public purpose mission and strengthen the aging service network itself.

We believe that elder care is an excellent example of a mutually beneficial public private partnership and that AAA's are ideally suited to provide such service. We support AOA's recent program instruction regarding elder care and the role of the

AAA and appreciate its positive approach. We also recognize that the State Offices on Aging, too, have a role in elder care – that of developing public policy with specific guidelines for AAA involvement and we look forward to working with the State of Georgia in the development of such policy. ARC remains fully committed to our public purpose mission and agree with the Administration on Aging that corporate eldercare is an extension of, rather than a conflict with, our fundamental mission set forth under the Older American Act.

ARC: The Area Agency on Aging

Our Roles and our Responsibilities

• PLAN • DEVELOP AND IMPLEMENT SERVICES •
• COORDINATE • ADVOCATE •
• COLLECT AND DISTRIBUTE INFORMATION •

ARC: The Area Agency on Aging
Our Roles and Our Responsibilities

Corporate Services

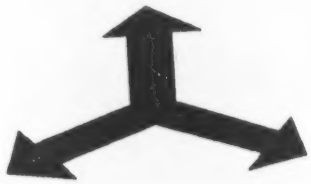
- I & R Services
- Employee Seminars
- Volunteer Services
- HealthStyle/
- Retiree Assessmt.
- Employer Hot Line

OAA Administration

- Senior Centers
- Meals
- Transportation
- Homemaker/Chore
- Adult Day Care
- Respite
- Care Management
- Legal Services
- Advocacy
- I & R

Special Projects

- Community Care
- Aging Connection
- Health Promotion
- Walking Programs
- Gatekeeper
- VISTA
- Community Ed.
- AgingAtlanta 2010
- Resource Develmt
- Senior Employmt.
- Resource Ctr.



Atlanta Regional Commission

Mr. DOWNEY. Thank you, Mrs. Schramm.

Let me start with first things first. All of you think that the idea of our getting involved with regulation of what is permissible and what isn't, that that doesn't make much sense.

Dr. MATHAI-DAVIS. Yes.

Mr. DOWNEY. Why would you think, in your own mind, we would want to be involved in regulations? I mean, after having listening to you, it seems as though all of you are pretty sensitive to the fact that, as Mr. O'Neill put it, your basic function is to make the lives of the elderly better. I would think that, with my anecdotal experience, which is not that great, but still enough so that I come in contact with enough area agency coordinators over my 16 years in the Congress, that that's pretty much replicated. That's what they feel.

Is there a concern, possibly, do you think, on the part of some in the bureaucracy here, that there might be one corporate client that could dominate an area agency on aging and dictate programs and who it serves, subtly or not so subtly? I mean, why would we even want to get into the business of regulating? Can any of you conjecture—Mr. O'Neill?

Mr. O'NEILL. Sure. I think partly people fear competition. I think there are certainly other nonprofits and other proprietary agencies who are concerned that another person or entity—In the State of Massachusetts, we actually are competitive with Work/Family for contracts with some corporations. So there are organizations that see it as another competitor. If there's a way of keeping them out of the marketplace, certainly why not try.

Mr. DOWNEY. Okay. That's an excellent point.

Dr. Davis?

Dr. MATHAI-DAVIS. Well, I just want to expand a little on it. It's not necessarily that they see their agency as a competitor but as an area agency we would be distributing the service needs to all of the nonprofits that are part of our network and not choose just one or two, so they see the possibility that their revenues are not going to expand tremendously because others are going to access those services as well.

But I assume there is some concern because this hearing is being held on the issue of public private, and although Congress feels or some Members feel that there is some conflict between our mission, the Older Americans Act, as opposed to going out to try to get the corporate sector to be responsible, I really don't see as conflict there. It's two very separate pieces.

We are here to try to get the services to all those who need the services in our communities and localities, and we have to access the dollars where they be. If we were to just sit and accept Older Americans Act dollars, we would have to reduce our services tremendously.

Mr. DOWNEY. You have also said there is great sensitivity to the issue of exclusivity—

Dr. MATHAI-DAVIS. Right.

Mr. DOWNEY. [continuing] on that. You don't target to just the corporate people but, in fact, the reverse is the case, that as a result of the corporate dollars you are able to target the people who we have asked you to target to begin with.

Dr. MATHAI-DAVIS. But right there you're not really targeting the corporate person. There's no such thing as a corporate person. It's really the employees in the corporation, just as there are employees in nonprofit organizations and in all other walks of life. We all have parents and grandparents who need services, and we are trying to act as an educator and make people aware of it. It's not the corporation, as Mr. O'Neill pointed out. The corporation is not really our client.

Mr. O'NEILL. Also, another thing is control. Certainly, if I were in the shoes of the funding entity, if you have people whose reputation affects your reputation and you see them as going off and doing all sorts of disparate things, you certainly would have some concern to make sure that what they're doing is not inconsistent with what you're basically funding them to do. I think that would certainly be part of it.

Mr. DOWNEY. I don't think any of us are members of the Education and Labor Committee, which ultimately will have the jurisdiction in providing the legislation. But in my other capacity as a member of the Ways and Means Committee, and as someone who spends a lot of time worrying about how we're going to deliver programs to children, the testimony that I have received over the years is pretty much the same as I perceive from you—that is, we understand what we have to do and please don't get in our way in the process of doing it, and provide us the flexibility to offer different types of services and we'll be able to do a better job. I think that is, in essence, what you're telling us.

It seems to me there's the requisite sensitivity about your mission and the goals of the Older Americans Act. This seems to be completely compatible. It would be stupid for us to, in any way, limit this corporate/private involvement.

Ms. SCHRAMM. I would like to note that aging is a business, and AAA's are a business. We are to manage the most effective and efficient system we can, that we can operate. Our job is to find as many partnerships and creative funding relationships as we can.

Mr. DOWNEY. I agree with that. I think Dr. Berry agrees with that. I think she is possibly fighting an action, as rear guard as it may be at this time, against those who either don't understand it or don't want to understand it.

Dr. MATHAI-DAVIS. I would just add that, before coming here, I spoke to several of our corporate partners about the possibility of legislation. They all indicated that if there was some form of regulation, they would no longer really be interested and they would go out to do it on their own because they would not want to get caught up with a lot of red tape and bureaucracy.

Mr. DOWNEY. That's understandable.

Ben?

Mr. BLAZ. No questions.

Mr. DOWNEY. Olympia?

Ms. SNOWE. I want to thank you, Mr. Chairman, for holding this hearing today. It does lay the groundwork for the reauthorization of the Older Americans Act in 1991. I want to thank all of your for your testimony as well, because you clearly are on the cutting edge of public private partnerships and the direction we need to take in the future.

I have several questions of the panelists this morning. First of all, Dr. Davis, you mentioned that you don't believe Congress should engage in any legislation regarding public private partnerships. Is there anything we ought to change through legislation concerning the Older Americans Act and public private partnerships?

Dr. MATHAI-DAVIS. Well, I think I would suggest or recommend that you encourage the public private partnerships in terms of the legislation, to amend it a little to be able to encourage the area agencies to reach out and to look to see how they can extend and expand and build on the public dollars to provide the services. Because if you read the act as it exists right now, that is why the controversy exists around the issue, because there are many different interpretations of it. So that needs to be clarified.

Ms. SNOWE. Do you think how these public private partnerships work depends on the visibility of a particular area agency? I would expect that some are more effective than others in working on these public private partnerships.

Dr. MATHAI-DAVIS. No. I think it requires a lot of creativity and a lot of endurance. I know that with our Citymeals-on-Wheels, prior to that the department's visibility was not tremendous in the corporate sector. It was two corporate individuals, two private individuals, who came to us and said we are concerned about all those elderly who are not getting meals. What can we do? That was the start.

Today, we provide 800,000 meals. They raise $4.3 million a year. As a result of it, other communities in other parts of the country approached us to say can you help us start similar fundraising initiatives. Now we have it going in 30 communities and 25 States and have raised over a million dollars to provide 750,000 meals. So it's a matter of educating people about how to approach, how to market our services, and how to create their awareness. So the visibility is not really an issue initially.

Ms. SNOWE. At least with you.

Dr. MATHAI-DAVIS. Yes.

Ms. SNOWE. But that may be the case for others?

Dr. MATHAI-DAVIS. Well, I think all area agencies could reach out if they are told how to do it. Many area agencies see themselves in a very limited fashion based on how they've always functioned, so you're only managing the same amount of dollars and those dollars are getting reduced.

Ms. SNOWE. Do all of you feel that the Older Americans Act is as flexible as it can be to encourage these public private partnerships?

Mr. O'NEILL. I think the problem is not with the act but with the regulations.

Ms. SNOWE. With the regulations. Well, has the program instruction changed the way you do business now?

Mr. O'NEILL. Certainly not given us, the States, until November 1st to come up with guidelines, so that could be a problem.

Ms. SNOWE. Has it changed dramatically with all of you in the way you have implemented these public private partnerships?

Mr. O'NEILL. It certainly would with us.

Dr. MATHAI-DAVIS. Yes, it can, depending on what the policy, what kind of policy the State comes up with.

Ms. SCHRAMM. I think it could go back to the personalities of the people in the State offices. If they are personally supportive of it, then I think they will bring forth the support across the State. But if they're not, then it's going to be a battle beginning November 1.

Mr. O'NEILL. One of the things that I think could particularly be a problem is the reference in the program instruction to no public dollars at all to go towards private contracts. To me, that seems to be saying, the logical extension of that is that there are public people and there are private people, and if you have private contracts, somehow or other this is a different kind of person; it's not the people you're intending to serve under the Older Americans Act. Yet, the Older Americans Act talks about all Americans, unless you want to say the Older Americans Act wants to pay for the middle class and upper income people as well, and has the resources to do so.

Practically speaking, I cannot think of any segment of our human services delivery system in the country, whether it be Head Start, daycare, home health industry, where there isn't a mixture of private and public moneys. That's not seen in any way as a negative thing but as a positive.

Ms. SNOWE. So are you envisioning this requirement to mandate a separate accounting of your funds?

Mr. O'NEILL. No. The accounting goes without saying. I think you want to track your moneys anyway. To me, it's more like saying my program development person that has some title III funding, I can't use that person to develop these types of projects at all, or I'll have to get a separate person.

Dr. MATHAI-DAVIS. I see it going a little further, because the way the program instruction is written, and based on the interpretation, it gives the State area agencies tremendous control over all programs developed by the area agency. Now, that could create conflicts, depending on who the director of the State is and who they report to and who the area agency—take my office, for instance. As I stated in the beginning, I'm not just an area agency. I'm also a department of the New York City government and I report to the mayor. Approximately 45 percent of my funds are city funds, and about 40 percent are State and Federal funds.

Now, if the State director is going to state exactly how all of my programs are operated and all of my funding, which, you see, if I was to take this program instruction further and just say, if this applies to elder care, it's going to be the start of applying to everything else, there could be tremendous conflict there.

I believe the State director should have a say in how the Older Americans Act dollars are spent and how the Federal dollars are spent, and they should expect us to function within those guidelines in general, but they shouldn't be making policy decisions about other dollars.

Ms. SNOWE. How do you target your clientele in terms of need when you contract with a corporation?

Dr. MATHAI-DAVIS. Let me say that the way we see it and the way we do it in New York City, we are using the corporations as a means of raising additional dollars that we are able to then put right back into our network, into our nonprofit agencies, so that

they can provide services to more than just those employees of the corporation.

As I stated before, the Older Americans Act dollars are tremendously limited, and in over 10 years we have not seen an increase and there's been a substantive decrease. Our nonprofit agencies that are a part of our network, the 280 that we contract with, have not seen an increase in their dollars. Their staff are already overburdened. There are tremendous waiting lists for home care and others. They don't have the dollars to bring on additional staff. So if we were tell them that IBM has an employee who needs home care, they're not going to really be able to respond because they don't have the staff. However, if IBM pays a fee, they are then able to hire another employee who can then serve not only the IBM employee's parents but you're able to reach out and do more than you could in the past.

So I see those dollars as a way of expanding. I don't see it as a two-tiered system.

Ms. SNOWE. Mr. O'Neill?

Mr. O'NEILL. In some ways I feel like saying it's the wrong question. In targeting the services, the answer to that is fund the moneys under the Older Americans Act so that we can continue to serve low income people. The only way I would target is by the nature of the services. In other words, I'm more interested in the needs, that certain needs are met, like respite care, that those families who are doing everything to keep an older person from staying out of a nursing home and saving us thousands of public dollars, that that need is important. So respite care is important to us and other in-home services are important.

We're not just offering any service that we can make money on. So part of our targeting is based on what the needs are. But my thing is that the services, to the extent that we do reach some additional populations, isn't that all well and good? Isn't that like a bonus? It's not like we're saying we're taking title III moneys. We are not taking title III moneys and using it for this purpose. Anything that is generated, both in terms of additional dollars for services for low-income people, which is happening, as well as bringing services to people of other incomes, I just think—the social need to me, strokes, heart attacks, they don't do a means test. So a social need, to me, certainly has to do with what levels of impairment. Economic need is a different situation. That's a different kind of targeting that's needed.

Ms. SNOWE. Miss Schramm?

Ms. SCHRAMM. The companies that we've been involved with I think see part of their mission as providing a service to the community. I'm sure they are benefiting as far as their PR campaigns, but every one of them have looked at the implications that their money has on helping those people who cannot afford services.

I think the creation of the daily money management program was a good example that IBM has funded, in that the people who can pay for the service should be able to pay for the service, and those who can't pay should be able to get the service at a reduced cost or at no cost. So I think every service, we have to look at it and make it available for people who can pay and those who can't pay.

Ms. SNOWE. Thank you.

Mr. DOWNEY. Thank you, all three of you. You've been very, very helpful this morning.

Mr. Levin and Miss Gianopoulos.

PANEL TWO, CONSISTING OF ROBERT C. LEVIN, DIRECTOR, INSTITUTE ON AGING, WORK AND HEALTH, WASHINGTON BUSINESS GROUP ON HEALTH, WASHINGTON, D.C.; AND CHRISTINE GIANOPOULOS, DIRECTOR, BUREAU OF ELDER AND ADULT SERVICES, AUGUSTA, MAINE

STATEMENT OF ROBERT C. LEVIN

Mr. LEVIN. Good morning. My name is Robert Levin. I am the director of the Institute on Aging, Work, and Health at the Washington Business Group on Health here in Washington, D.C. I plan to be very brief with my remarks this morning, and I will very much look forward to questions from the panel.

The Washington Business Group on Health founded its Institute on Aging several years ago in recognition of the fact that many of the health policy issues that we are concerned with, such as Medicare, retiree medical benefits, and long-term care, are also important aging-related issues. In addition, over the years we have come to see that there are a variety of additional aging issues that fall under the aegis of the human resource managers that we represent.

Here in Washington, in New York, and in other areas, there are tight labor markets. Older worker employment has become a priority area now for human resource managers. As companies have become interested in fostering health promotion and wellness programs, they have come to realize that older workers and retirees are significantly under-represented in those programs—wellness and health promotion now is an important issue—and as companies over the years have developed child care programs as part of their dependent and flexible benefit programs, they have also realized that the older population now exerts an influence in the design of those plans and that companies are now developing initiatives to respond to the needs of employees caring for dependent elderly.

Employment, training, second careers, retirement planning, health promotion, all of these issues are aging issues of emerging interest to employers, issues that will continue to be of interest to employers as we move into the 1990's. In each of these areas, companies are looking for partners to develop programs to solve the human resource problems associated with them. They are looking for partners to recruit and retain and retrain older workers, they want to develop specialized health promotion programs, they want to do effective retirement planning, and they are interested in dependent care initiatives.

The point that I really want to leave you with is that these programs can be developed with anybody. Employers do not have a necessarily vested interest in working with any individuals or any groups to do these programs. But our experience is that partnerships with aging network agencies provide an outstanding opportunity to use the skills developed by the network to meet a common

agenda of need, and the common agenda is between the private and public sectors.

It is on that note that we congratulate those States and area agencies that are testifying today, and others in the community, that have developed partnerships with the private sector, and we applaud Commissioner Berry and the Administration on Aging for her leadership in encouraging these partnerships.

Now you have heard first-hand from the previous panel how partnerships can strengthen the capacity of a network to provide services in the community. Our written testimony elaborates on initiatives that we have conducted through our Partnerships in Aging Project conducted with the Administration on Aging, and I would encourage you to consult that. But let me give you just a few points as the basis for questions that we could discuss later.

The first is that companies do want to work in their communities. There is a great tradition of companies working in the community and providing philanthropic outreach, the area of education currently being one. They need help on elder care and other issues, and the aging network can provide this assistance. I would say that it is an opportunity that should not be missed. But also, the private sector will go elsewhere if the network is not interested in working with them. They will go primarily to private consultants who will end up using the aging network services anyway.

Secondly, the private sector truly can help stimulate the capacity of the network to provide services in the community. In the next 5 years, AT&T and IBM alone—just two firms—will contribute $8 million to community aging agencies to develop the capacity of those agencies to provide services to at-risk and needy elderly in the community.

Third, we agree that the network should never compromise its mission under the Older Americans Act to target services for those in need, but this fear should not become a barrier to involvement. It suggests that States and AAA's that have not had the opportunity to work with the private sector will need training on how best to do this, training in financial management, in the preparation of contracts and so forth. But we believe that these activities should only further strengthen the capacity of the network to respond to the needs of its constituents.

In conclusion, we applaud the subcommittee for their interest in this subject and, again, the Administration on Aging and encourage other Federal agencies as well as State and local aging agencies to view partnerships as a real opportunity, one that may have risks but one that should not be considered as a threat.

Thank you. I look forward to your questions.

[The prepared statement of Mr. Levin follows:]

Washington Business Group on Health

"Public/Private Partnerships: The Opportunities, The Risks"

Written Testimony submitted to:

The Subcommittee on Human Services
U.S. House of Representatives
Select Committee on Aging

2226 Rayburn House Office Building

June 5, 1990

By

Robert C. Levin
Director
Institute on Aging, Work and Health
Washington Business Group on Health

My name is Robert Levin and I am the Director of the Institute on Aging, Work and Health at the Washington Business Group on Health (WBGH). WBGH is a national, nonprofit membership organization representing large employers on employee benefit and health policy issues. We want to thank Congressman Downey, Congresswoman Snowe and members of the Human Services Subcommittee for providing us with the opportunity to testify today on the topic of public/private partnerships in aging. We believe that public/private partnerships offer an excellent opportunity to strengthen the capacity of aging network agencies to provide needed services to older adults in the community, while helping to meet business goals. We also believe that the Committee's decision to hold a hearing on the subject of public/private partnerships in aging is a positive step for business and the aging network, and deserves to be applauded.

In 1983, WBGH formed its Institute on Aging, Work and Health in recognition of employers' opportunities and concerns associated with America's growing population of older adults. In the early 1980's, human resource issues associated with an aging population were just beginning to draw the attention of corporate executives. By 1990, many of the these issues have become front-burner concerns, and include such topics as how employers can stem the precipitous rise in retiree medical benefit costs while continuing to contribute to the health care and income security for employees and retirees; how best to involve older workers and retirees in the fast-developing world of corporate-sponsored health education and

wellness programs -- programs in which older adults are notoriously underrepresented; how to help older workers prepare for a retirement that -- thanks to increases in life expectancy -- will be longer for them than for any prior generation; how to recruit, retrain, and retain older adults for a variety of job opportunities in communities nationwide that are suffering from labor shortages; how to foster volunteer opportunities for the growing number of older adults seeking new roles outside the workforce; and how to develop personnel and benefit policies and programs which respond to the needs of a growing population of workers who care for dependent parents and other older adults.

Cost management, health promotion, employment and training, volunteerism, retirement planning, and eldercare are just some of the aging-related human resource issues that have emerged in the 1980's -- issues that will increasingly concern American employers in the 21st century, and ones that will lend themselves to public/private sector collaboration. Employers who, in the past, have not concerned themselves with these issues, will continue to avoid them at their own peril. In the words of Suzanne Mercure, benefits planner for Bull Worldwide Information Systems, "Business can't avoid the growing concerns of an aging society. In the same way that communities will have to develop strategies associated with an aging population, business will need to mirror that effort by implementing human resource programs that address the needs of an aging workforce and growing retiree population."

A Partner for Business

Although many business leaders don't yet know it, employers have a partner in their efforts to confront the challenges of a rapidly aging population. This partner is none other than the publicly funded network of state and community aging agencies authorized by the Older Americans Act (OAA) to provide essential services to older adults nationwide. WBGH believes that employers need to share in the goals of the OAA to empower and serve older adults in the community -- and recognize that there is a common agenda that lends itself to the development of creative public/private partnerships beneficial to businesses and older adults alike. We in turn believe that the aging network has to recognize the validity of employer concerns in an aging society, and be willing to work collaboratively with the private sector to address those concerns.

The emergence of a shared agenda, and the need and opportunities for partnerships between private employers and public agencies serving older adults, has came about at a crucial time for both employers and the aging network. For while the 1980's saw an increase in aging-related human resource concerns of employers, it has also witnessed a threat to the viability of those public sector programs that serve the older population. This has occurred due to several factors, including the significant growth of the older population needing support services, the shift, begun in the early

1980's, from federal to state and local funding for community programs, and recent deficit-driven restraints on public spending, which threaten a variety of social programs. As you will hear from the state and local aging agencies testifying today, these social and institutional changes have challenged, and will continue to challenge aging network agencies to find creative ways to support and supplement services for the growing population of older adults.

The Emergence of Public/Private Partnerships in Aging

American business has had a long tradition of providing financial, and human resources support for community needs and the public service institutions that provide for these needs. In areas such as housing, transportation, education and health care, the business community has made a major contribution to meeting public sector goals of expanding access to essential services through a variety of creative initiatives. From support of community hospitals, to partnerships with the public school system, employers have played an active role in fostering social goals. And as aging issues have emerged as a corporate concern, employers have become interested in developing programs that respond to those needs as well. Typically, these efforts have been viewed positively by employers and communities alike as a "win-win" situation. Employer support for aging agencies strengthens the capacity of the community to respond to the needs of its older citizens. This in turn strengthens the community and makes it a more desirable environment

to operate a business.

The Needs of the Network

At the same time that business has awakened to the importance of aging-related issues, the Aging Network -- with some trepidation -- is beginning to view business as a valuable partner in the Network's mission to serve older adults, a partner that can strengthen the capacity of aging agencies to provide community-based services.

It is especially exciting to report that part of the Network's interest in developing partnerships with employers stems from the successes of recent collaborative programs. The New York City Department on the Aging (NYCDOA), for example, provides a model for innovative collaboration, having developed private sector support for such efforts as eldercare, senior employment, and home delivered meal programs.

You will hear today from Commissioner Mathai-Davis how the development of public/private programs in New York City has increased the staff capacity, resources, and financial strength of the Department on Aging, allowing it to expand the services it offers to older adults in the community. These and comparable efforts by other State and Area Agencies on Aging have brought millions of dollars of private sector support for existing and new

programs, and have showcased how employer needs can converge with the overall mission of the Network to expand services to older adults.

The Washington Business Group on Health believes that aging agencies have been, and can continue to be a valuable, and efficient partner in developing programs that address both the interests of the private sector and serve the mandates of the Older Americans Act. Network agencies have expertise in coordinating information and referral activities, job training and employment programs, community-wide volunteer efforts, health education and health promotion activities, and other topics of interest to employers.

Partnerships in Aging

The Washington Business Group on Health has had the good fortune to work collaboratively with the U.S. Administration on Aging to foster public/private initiatives in aging through its Partnerships in Aging project. Partnerships in Aging has attempted to promote opportunities to develop collaborative relationships between employers and aging network agencies, and has highlighted successful initiatives through a series of conferences, reports, newsletters, media and legislative briefings, as well as through the development of local projects in which eight seed grants were provided to state and local aging agencies and business coalitions.

We think it is important to note that the Partnerships in Aging project itself is an example of public/private collaboration, in that federal funds have been augmented by contributions from a variety of WBGH members. Member companies such as Aetna Life and Casualty, Champion International, IBM, and Merck, Inc. among others have contributed technical assistance in the design and distribution of project publications, have loaned executives and other human resources for program activities, have hosted meetings, videotaped conferences, produced posters, and provided cash support for research activities.

On the local level, private sector support for the Partnerships in Aging project has been even more varied and has shown the potential of these partnerships in aging to leverage significant corporate and community resources, and to produce additional collaborative programs. One example of this can be found in the Workplace Caregivers Project, a joint initiative of the Health Action Forum of Greater Boston and the Massachusetts Department for Elder Affairs. Using a modest $3,000 Partnerships in Aging seed grant, the Workplace Caregivers Project involved the participation and in-kind support of seven New England-based firms: Harvard Community Health Plan, New England Telephone, Mayo Health Facilities, Houghton Mifflin Corporation, Boston Edison, Wang Laboratories, and Bull Worldwide Information Systems.

At four of these worksites, employees participated in a survey designed to determine the nature and extent of caregiver needs and responsibilities. The findings from these surveys are reviewed and analyzed in a report issued by the Health Action Forum entitled "Eldercare: The State of the Art." This report, which was published by an in-kind contribution by Houghton Mifflin, includes a summary of the range of caregiving responsibilities identified in the survey.

Responding to the needs of these caregivers, a number of programs and products were developed through the Caregivers Project. With support from local employers, staff from HAF conducted a series of lunch-time seminars on such topics as respite support for caregivers, community resources, legal and financial concerns, and Alzheimer's Disease. One firm, the Houghton Mifflin Corporation, even developed a lunch-time Alzheimer's support group. Other activities have included a caregiver's fair, and a telephone hotline for employee caregivers underwritten by Bull Worldwide Information Systems.

In addition to the report of survey results, HAF developed other written products for the project, including "Eldercare: A Caregivers Manual" which provides descriptions of many of the community-based support programs for caregivers. Recently, Bull Worldwide Information Systems reprinted 12,000 copies of the manual for distribution to its employees nationwide, while other WBGH

firms have expressed interest in reproducing the manual for their employees.

A Domino Effect

What is especially exciting about this initiative is that it is an example of how public/private partnerships can have a "domino effect" of stimulating other interactions between employers and aging network agencies. Bull Worldwide Information Systems, one of the participating companies in the Boston effort, has recently collaborated with the Merrimack Valley Area Agency on Aging to develop "Phone Pals", an intergenerational support program for latch key school children. According to Suzanne Mercure, the experience of participating in the Partnerships in Aging project led directly to the involvement in "Phone Pals".

Others testifying today will report similar experiences -- how, for example, the American Express Corporation began its support of the New York City Department for the Aging by contributing to the City's Meals-on-Wheels program, and then, pleased with the success of the partnership, expanded it to include an impressive caregiver support initiative. And in Atlanta, how the Regional Commission's HealthStyle wellness program fostered the interest of other employers, hospitals, and trade unions to become involved; or how, in Delaware, foundation support was attracted for the expansion of the innovative RxCheck initiative, a prescription drug awareness

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program for seniors.

These examples indicate the value and potential of public/private partnerships in expanding services to older adults. They need to be highlighted as models for other business and aging agencies to replicate.

Overcoming Barriers

Given the expertise of the Aging Network, one can ask an obvious but troubling question: With the natural convergence of network mission and employer interest, why is there not more collaboration between aging network agencies and employers, and what are the barriers to this involvement?

Part of the problem is lack of mutual awareness of the opportunities for collaboration; but it is our belief that there are three additional problems associated with increasing business interest in Aging Network activities. The first relates to a longstanding tradition of corporate philanthropy and outreach. Business, when providing contributions and in-kind support to community organizations, often does so to well-established and clearly identifiable organizations, such as hospitals, or to national, federated campaigns such as developed by the United Way. A March 1987 survey conducted by WBGH, for example, found that employers were much less likely to provide assistance to State

Aging Departments than to either church groups, senior centers, hospitals, or nursing homes. This suggests that aging network agencies need to become more visible in their communities, and highlights their potential role as partners with the private sector.

Secondly, when companies think of the organizations in the community that can design programs such as case management, retirement planning, and other services to address employers' human resource needs, they often look to established, private, for-profit consultants to provide these services. Corporate eldercare programs are an example of how many employer initiatives that have been conducted on a fee-for-service basis have been performed by private consultants, who, then in turn, often use the services of the Network. Network agencies often have been unable, or unaware of the need to identify and promote their capacity to work directly and collaboratively with the private sector.

In addition, aging network agencies may suffer from the undeserved stereotypes that often characterize business views of governmental agencies. In the recent words of Janice Gray, Executive Director of the Texoma Area Agency on Aging, "AAAs are seen as unsophisticated, immature and incapable of handling large sums of money in a business manner." So even though the network agency may be a qualified and deserving recipient of both corporate

philanthropic largesse and business contracts, it often loses out to other players -- be they consultants or other agencies. This second barrier suggests that network agencies will need to promote their capacity and expertise in working with the private sector.

Third, even if business views the Network as a valuable partner, aging agencies may not have developed the expertise to provide the services that employers are seeking. For example, in urban centers nationwide, employers of all sizes are seeking assistance in recruiting and retraining older workers to meet labor market shortages. But not all State and Area Agencies are in a position to respond to this employer need, even though involvement in employment programs for older adults would help fulfill an OAA mandate. This suggests that aging network agencies would respond favorably to the opportunity to receive training on how to work with the private sector. This training we believe, should be provided in part, by peer State and Area Agencies on Aging that have already had the opportunity to work with the private sector.

Eldercare: The Network's Role

It is in the area of eldercare where both the opportunities and barriers for public/private partnerships are currently most visible. Whereas only about ten percent of major employers have developed formal information and referral programs to address eldercare issues, we believe this percentage will grow

significantly in the 1990's. And as companies nationwide begin to develop comprehensive work and family policies, they will continue to seek resources to assist employed caregivers and their dependents. We agree with the Administration on Aging's recent Program Instruction to State and Area Agencies on Aging, where it notes that:

> "This recognition by the private sector that assisting employees to secure timely and informed advice and assistance in meeting the needs of their aging relatives is critical to worker morale and productivity represents an important milestone in our response to the challenge of an aging population."

And we concur that "the emergence of employer initiated and supported eldercare benefits carries with it the potential of a significantly enlarged pool of resources that are available to meet the needs of our increasing population of older persons."

Nowhere is this more evident than in the current eldercare initiatives being developed by many firms nationwide. In particular, two forward-looking companies, IBM and AT&T, have allocated millions of dollars to develop the capacity of aging network agencies to provide services in the community -- and not merely for IBM and AT&T beneficiaries, but for other members of those communities as well. WBGH applauds the efforts of these and other firms that, in addition to developing programs for their own employees and retirees, help to strength the capacity of community agencies to provide needed services to their constituents.

As outsiders in the internal debate on how best to encourage aging network agencies to participate in partnerships in eldercare, we do not have specific recommendations on the form that those partnerships should take. Based on our experience in having the opportunity to view first hand the value of public/private partnerships in aging, we readily encourage more involvement by network agencies in collaborative initiatives with employers and we applaud the Administration on Aging for its willingness to address this important issue, thus showing bold leadership in an area of major social concern.

AETNA LIFE & CASUALTY
INTEROFFICE COMMUNICATION

TO Distribution

FROM Sherry Herchenroether, Family Services, C319

DATE July 6, 1989

SUBJECT FAMILY LEAVES : FIRST YEAR OF EXPERIENCE

It has now been one year since we announced a Family Leave policy. Many people have asked how the policy has been accepted, and how frequently employees and supervisors are utilizing the leave.

The attached graph shows that while the policy is currently being used by about 1% of our population, participation has increased over the past year. While we have not had time to complete a statistical analysis of the effect on performance or service, we can make some general conclusions about the first 12 months of experience:

- The large majority of employees are using this benefit for a leave of one month or less; six month leaves are rare.
- 88 % are returning from leave; 12 % are terminating (1989)
- 13 % are returning from leave status to part-time employment, if even for a temporary period of time.
- Field offices are granting leaves with about the same frequency as the Home Office.
- While there have been male employees who have requested information about the leave policy, only one male employee has taken a family leave in the past twelve months.

Attachment
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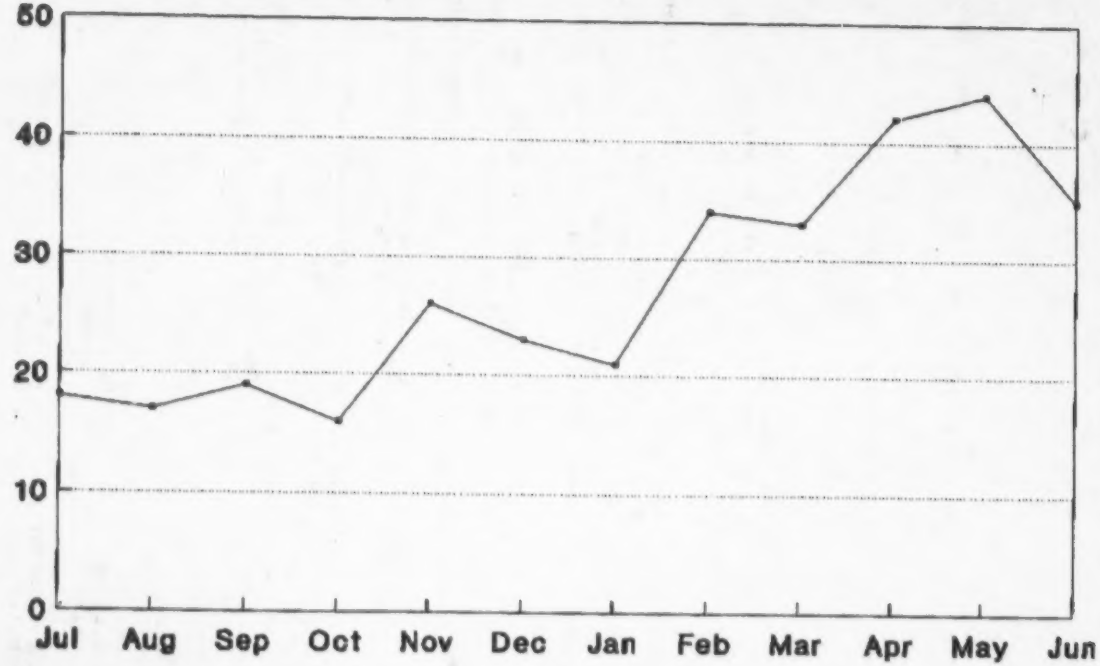
Family Leaves

Employees on Family Leave Status



July, 1988- June, 1989

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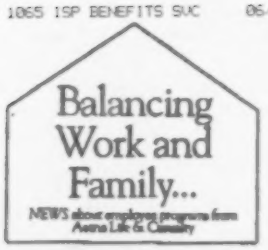

Background

FACTS ABOUT AETNA'S FAMILY LEAVE POLICY

The Results: After A Year of Providing Family Leave To Employees.

- Retention of employees has improved significantly since family leave has become an option for Aetna employees.
- Of 1,323 women who took a maternity disability leave, 214 took advantage of the family leave policy.
- Of those who took maternity disability leave, just 12% left the company, compared to 23% who left the year prior when family leave was not an option. So, Aetna's family leave policy has helped reduce the number of employees leaving the company for family demands by 50%.
- Based on Aetna's family services program, including the family leave policy described below, Working Mother magazine (October 1989) named Aetna one of the "60 Best Companies For Working Mothers."

Case Histories: (Available Upon Request).

The Program: Aetna's Family Leave Policy.

- In 1987, a work and family task force was established. It was made up of representatives of Human Resource Departments and members of a management advisory committee. One of the group's recommendations was to implement a family leave policy.

- Introduced in 1988, the policy encourages Aetna supervisors to grant unpaid time off to employees faced with major family obligations such as the birth or adoption of a child, or the serious illness or injury of a parent, spouse or dependent child.

- Time off is granted to employees for up to six months and those employees taking advantage of the policy generally will be reinstated in their jobs if they return to work at the end of the agreed-upon period.

- Once employees return work, alternate staffing options are available. Part-time work, job sharing, and other non-traditional work arrangements are options.

- As part of the family services provided to Aetna employees, the company offers a dependent care spending account which enables an employee to save pre-tax dollars, up to $5,000 a year, to pay for dependent care. The company also has added long term care to its flexible benefits plan, as well as expand its employee assistance program to employees nationwide to provide support and counsel on personal or family problems.

(more)

Background: Aetna and A Family Leave Policy.

- Aetna Life & Casualty employs 43,000 people, 69% of whom are women. Headquartered in Hartford, Conn., Aetna is the nation's largest investor-owned insurance and financial services organization. Based on assets of more than $81 billion, it is among the 15 largest U.S. corporations.

- Aetna has taken a lead role in dealing with the nation's changing workforce -- more women, single parents, dual-career families, aging workers and fewer qualified job applicants.

- In 1987, Aetna named a task force to study work and family issues. The result: Aetna created a family services department to deal specifically with work and family issues such as family leave and child and elder care services.

For More Information, Contact:

A. Steven Perelman: 203/273-9445
Diane Mattioli: 203/678-0473

-30-

Mr. DOWNEY. Thank you.
Ms. Gianopoulos.

STATEMENT OF CHRISTINE GIANOPOULOS

Ms. GIANOPOULOS. Representative Downey and members of the Subcommittee on Human Services, my name is Chris Gianopoulos, and I am the director of Maine's Bureau of Elder and Adult Services.

I also took your 5-minute rule seriously, so my remarks are brief as well.

I appreciate the invitation to talk to you today. My remarks this morning will focus on three topics: first, the concept of public private partnerships as it is currently framed in the Older Americans Act; second, the program instruction on elder care; and, third, the potential risks and benefits of public private initiatives.

When I talk to groups in Maine about the Older Americans Act, I like to point out that the act envisioned public private partnerships long before they were as much in vogue as they seem to be today.

The act was far-sighted in its vision of cooperation among government, nonprofit, and private sectors as well as in its mandate to address the well-being of all older Americans. It created a simple structure that allowed States and communities to design systems best suited to their needs. Maine's system uses our five area agencies on aging as single points of access to comprehensive community-based services funded with a combination of State, Federal, and private funds.

When Maine implemented first a State-funded home care program and, later, a Medicaid waiver, we built on the structure already in place at the AAA's. Today, three of our area agencies have fee-for-service elder care contracts. All five agencies offer care-giver and retirement planning programs to business, and all also provide care management on a sliding fee scale.

The latitude to respond to changing needs with new initiatives is clearly one of the act's greatest strengths, but no legislation, no matter how far-sighted, can completely forecast the future. The recent program instruction on elder care is evidence of our need to respond to issues that were not spelled out in the act.

AOA is to be commended for issuing these guidelines. It is a good example of the invigorated leadership that Joyce Berry is bringing to the Administration on Aging. We were pleased that the program instruction is clear in its definition of "elder care" and that it specifically requires a collaborative process for policy development, that elder care not compromise the public purpose mission of AAA's, and that title III funds not be used to subsidize elder care initiatives.

However, larger issues loom on the horizon, and limiting our discussion to elder care excludes a lot of issues that States and area agencies will be facing in the next 5 to 10 years. An example is proposals to market on a cost-sharing basis those programs that have been traditionally supported with title III funds. This is one consequence of title III funding lagging far behind the demand for services as well as the act's prohibition on cost-sharing.

Maine's title III allocation has increased by less than 5 percent since 1985. Title III funds now represent 18 percent of our total Area Agency on Aging budget. Area agencies are looking for new ways to generate revenues. It is in this domain that the public policy debate on the risks and benefits of public private partnerships must take place. The risks are not insignificant, nor are they insurmountable. I think when there is an established working relationship between a State and the area agencies we can anticipate and deal with many of them.

What are the risks? One is that area agencies will take on new initiatives that then overwhelm the management and financial structure that is in place to serve primarily low-income elders. Fifty percent of the clients served by Maine's area agencies are low-income. We are doing a good job, but we are still not meeting the needs of all low-income elders. It doesn't mean that we don't take on new projects or new initiatives, but it does mean that we have to be clear about the how and the why of new endeavors.

Our network is only now beginning to recover from the effects of taking on the responsibility for large home care programs. Established title III services suffered for a number of years while the AAA structure incorporated long-term care. We have learned some important lessons from that experience, and I think it will help us manage new initiatives better in the future.

Another risk from a State agency perspective is using public dollars to capitalize the development of services for people, many of whom probably won't meet the targeting criteria in the act. If AAA's want to do business, they must be businesslike and finance these ventures the way other businesses do, by risking their own money.

Buying into the notion that public private ventures will generate huge excess revenues that can then be used to expand services to low-income elders is probably a dangerous myth. It may be true for States with a large population of higher-income elderly, but in a State like Maine where a third of the older population has income below 125 percent of poverty I just don't see that possibility.

Finally, there is the issue of the effect of public private initiatives on the AAA advocacy responsibilities. An Area Agency on Aging that is paid, for example, to do eligibility assessments for long-term care insurance applicants may find itself with a conflict of interest or the loss of a lucrative contract if it appears before the State Insurance Commission and opposes rate increases for Medicare companion plans.

Can these risks be addressed with planning and oversight? I think so. One option is to include language in the reauthorization that would allow AAA's, under the aegis of the State unit on aging, to demonstrate new approaches to direct service and cost sharing. AOA and the Congress can then evaluate whether the anticipated risks and benefits hold up in practice.

Lest you think I'm the voice of Cassandra, I also see benefits to public private partnerships. I think we have things to learn from the private sector. Our management practices will be enhanced through collaboration with business. The private sector has expectations about quality and customer service that can stand us in good stead.

In business, it's important to not only have a quality product, but it must be one that consumers want. This outlook can help us refocus services to meet current needs.

Another benefit is the possibility of enrolling others in our causes. The issues we face in the future are complex and beyond the scope of the aging network. Managing them successfully will require more collaboration than has been necessary up until now.

What's the opportunity in public private partnerships? I am reminded of the expression, "Lead, follow, or get out of the way." In many ways, that describes the point we're at in the evolution of the Older Americans Act. Congress now has the opportunity in the reauthorization to provide some needed leadership on emerging aging policy issues.

Thank you. I look forward to your questions.

[The prepared statement of Ms. Gianopoulos follows:]

John R. McKernan, Jr.
Governor

Rollin Ives
Commissioner

STATE OF MAINE
DEPARTMENT OF HUMAN SERVICES
AUGUSTA, MAINE 04333

Testimony of Christine Gianopoulos
Director, Bureau of Elder and Adult Services
Before
Subcommittee on Human Services
Select Committee on Aging
June 5, 1990

Representative Downey and members of the Subcommittee on Human Services, I am Christine Gianopoulos, Director of Maine's Bureau of Elder and Adult Services. The Bureau is the agency of state government responsible for administering Older Americans Act programs, community-based long term care services and the adult protective and guardianship program.

I appreciate the opportunity to talk about the role of the Older American Act in fostering stronger connections among public and private sector organizations.

My remarks this morning will address three issues: first, the concept of public-private partnership as currently framed in the Older Americans Act; second, the Administration on Aging Program Instruction on Eldercare; and third, the potential risks and benefits of policies directed at increasing public-private partnerships.

Older Americans Act

When I talk to groups in Maine about the Older Americans Act I like to point out that the Act envisioned public-private partnerships back in 1965, long before the concept of public-private partnership was as much in fashion as it seems to be today.

The Act was farsighted in its vision of collaboration among government, non-profit and proprietary sectors, as well as in its mandate to address a range of issues that influence the well-being of all older Americans. At a time when the federal government was strengthening its hand in many other health and social service programs, the Act created a simple structure that allowed states and communities to design systems best suited to their special circumstances.

The flexibility of the Act has enabled Maine to develop a coordinated system using our five Area Agencies on Aging as single points of access to a comprehensive community-based system funded with a combination of federal, state, and private funds. When Maine implemented, first, a state-funded home care program and, later, a Medicaid Waiver, we built on the structure already in place at the Area Agencies on Aging. Today, three of our Area Agencies on Aging have fee-for-service eldercare contracts. All five agencies offer caregiving and retirement planning programs to businesses, for which they request donations. Our Area Agencies on Aging also provide care management, on a sliding fee scale, under our state and Medicaid-funded home care programs.

They also administer several other direct services. While we've found that allowing Area Agencies in Aging to do direct service is usually efficient and economical, it has contributed, at times, to them perceiving any other provider of aging services as a potential competitor.

The latitude to respond to changing needs with new initiatives is clearly one of the Act's greatest strengths. The planning, coordinating, technical assistance and monitoring responsibilities assigned to the State Units on Aging have enabled us to use policy and rules to guide the evolution of our system.

No legislation, no matter how farsighted, can completely forecast and accommodate the future. Much has changed in the last 25 years and the Administration on Aging's recent Program Instruction on Eldercare is evidence of our need to respond to issues that are not clearly spelled out in the Act.

Program Instruction on Eldercare

The Administration on Aging is to be commended for issuing these guidelines. It is a good example of the invigorated leadership that Commissioner Berry brings to the Administration on Aging. In the recent past, AoA's position seemed to be that if it wasn't expressly permitted by the Act, it simply wasn't happening.

We were particularly pleased to see that the Program Instruction was clear in its definition of eldercare and that it specifically requires:

1. a collaborative process for State policy development in this area;
2. that eldercare initiatives not compromise the broader public purpose mission of the Area Agencies on Aging; and
3. that Title III funds not be used to subsidize eldercare initiatives.

However, limiting the discussion to eldercare excludes myriad issues that State Units on Aging and Area Agencies on Aging will face in the next five to ten years. As helpful as it is, it only deals with a narrowly defined service and one which, in a small state like Maine, can be easily incorporated within our existing policy structure.

Risks and Benefits

Larger issues loom on the horizon, specifically, marketing, on a fee-for-service basis, those programs that have been traditionally supported with Title III funds. This direction is an inevitable consequence of Title III funding lagging far behind the demand for services as well as its prohibition on cost sharing. Area Agencies on Aging are looking for other ways to generate needed revenues. Maine's Title III allocation has increased by ten percent since 1980, and less than five percent in the last five years. Title III now represents less than 20 percent of total Area Agencies on Aging budgets.

It is in this domain that the public policy debate on risks and benefits of public-private efforts must take place. First the risks -- and they are not insignificant. That is not to say that you allow risks to stop you; they are not insurmountable. I feel quite strongly that at least in Maine, and in other states where there is an established working relationship between the State Unit on Aging and the Area Agencies on Aging, we can anticipate and deal with many of the inherent risks.

We're doing a good job, and we're still not meeting the needs of low income elders. That doesn't mean you don't take on something new; but we have to be more careful about the "how" and "why" of new endeavors.

What are the risks? One is that Area Agencies on Aging will take on new initiatives that then overwhelm the management and financial structure that is in place to serve primarily the needs of low income elders. Fifty percent of consumers served by Maine Area Agencies on Aging have incomes below the poverty level. This compares with a poverty rate of 22 percent

among the total older population in Maine. The more involved Area Agencies on Aging become in providing services the less flexible they may be to respond to changing needs. As noted earlier the flexibility of the Act is one of its strengths, but the reality of Area Agency on Aging service provision could inhibit that flexibility.

Maine's aging network only now is beginning to recover from the effects of taking on the responsibility for administering two, large home care programs. The traditional Title III program frankly suffered for a number of years while the Area Agency on Aging structure incorporated long term care programs. We've learned some important lessons from this experience that can help us in managing future initiatives.

Another risk, from a state agency perspective, is using public funds to capitalize the development of services for consumers who probably wouldn't meet the targeting criteria of the Act. If area agencies want to "do business" they should be business-like and finance these ventures the way any other small business would; by taking risks with their own funds.

Another potential problem, and we've had some experience with this in Maine, is that some Area Agencies lack the financial sophistication to manage these ventures. You need to be able to determine the cost of delivering a unit of service in order to price it right. We're doing a much better job with that now, but in this respect we may be ahead of some other states.

Buying into the notion that public-private ventures will generate huge excess revenues that can then be used to subsidize services to low income eders is probably a dangerous myth. That may be true for states with a significant population of higher income elderly, but I don't see the possibility in less affluent, rural states like Maine.

Finally, there is the issue of what would be the effect of large scale public-private initiatives on the Area Agency on Aging's advocacy responsibility. Speaking as a State Unit director who is responsible for administering direct services, I feel it has enhanced my credibility as an advocate. Hoverer, an Area Agency on Aging that is paid, for example, to do eligibility assessments of applicants for LTC insurance may find itself with a conflict of interest, or a loss of a lucrative contract, if the Area Agency on Aging appears before the Insurance Commission to oppose rate increases in Medicare companion plans.

Any of these issues can be addressed with planning, policy and adequate oversight. One option is to include language in the reauthorization that would allow Area Agencies on Aging, under the aegis of the State Unit on Aging, to demonstrate new approaches to cost sharing and direct service. AoA and the Congress can then evaluate whether the perceived risks and benefits hold up in practice.

I also see potential benefits. We have things to learn from the private sector. Our management practices can be enhanced through closer collaboration with business. The private sector has expectations about quality and customer service that, again, could stand us in good stead in all our programs. Consumer involvement through a customer service approach, empowers users of service to demand quality and accountability. This can be an important adjunct to quality assurance mechanisims already in place.

In private business it's important not only to have a quality product but it must be one consumers want. This outlook can help focus services to respond to needs. It can result in development of services that meet current needs rather than a static, outdated menu of programs.

Another benefit is the possibility of enrolling others in our causes. The issues we face in the future are beyond the scope of the aging network. To manage them successfully will require a lot more collaboration than has been necessary up until now.

What's the opportunity? I'm reminded of the expression. "lead, follow or get out of the way." In many ways that describes the point we're at in the evolution of the Older Americans Act. Congress has the opportunity to provide some leadership on emerging public policy issues. In doing so, it can look to the progressive practices of many states and area agencies on aging. If you don't, you may be asked to "get out of the way." Given the 25 years of effort and resources that have gone into developing a national aging network, it would be unfortunate to see the Older Americans Act become an irrelevant, and largely ignored, anachronism.

Thank you. I'll be happy to answer any questions.

Mr. DOWNEY. Thank you, Miss Gianopoulos. Mr. Levin, you mentioned what IBM and AT&T are doing. Could you elaborate on their efforts?

Mr. LEVIN. Sure. IBM is one of several large firms, one of our member companies, that has had a major interest in dependent care issues. In February of 1988, they initiated a major comprehensive plan to provide information and support services to their employees nationwide, about 235,000, I believe. It involves a national network with an 800 number, whereby employees and retirees and their families can call up and get centralized information on the services provided by the network throughout the United States. Quite a few of the agencies that participate in that network are aging network agencies. However, not all of them.

As part of a larger initiative, in which $25 million will be allocated to stimulate the capacity of communities to develop dependent care programs, and to strengthen the ability of those communities to provide dependent care programs, $3 million will be targeted to permitting aging agencies to develop programs, with the emphasis in areas where there isn't a strong infrastructure, although Atlanta, which has a strong one, is one of the recipients of that award.

The AT&T program is less well formulated at this point, but it does represent an agreement between the Communication Workers Union and the company to allocate a total of $10 million to foster community-based initiatives, both in child care and elder care. In that instance, the fund will be split evenly between child and elder care.

Mr. DOWNEY. Could you tell us the profile of some of the companies involved? You mentioned two of the Fortune 500. Are smaller companies and more community-based companies involved in these efforts as well?

Mr. LEVIN. Typically, the companies that received recognition for their activities in the area of elder care have been larger firms. The rationale for that is that they generally are the ones that have the resources to be able to plan and develop these programs.

When smaller companies do programs, they are generally more informal and, therefore, do not get very much publicity.

There is a supermarket chain down in Richmond, VA called "U-Crops", which has developed an interesting elder care program in which they have an account, part of their benefit package, in which individuals can get reimbursed for elder care expenses, including home care. Other firms are working more informally as well.

Mr. DOWNEY. When a company undertakes a public private partnership—I mean, you mentioned the case of AT&T, where there were some efforts with the Communication Workers—what are they looking for? Is there some bottom line other than altruism involved in their effort?

Mr. LEVIN. I think they're looking for several things. First of all, they are trying to respond to the personnel and benefit needs associated with their changing work force. We have seen how child care programs, for example, have developed in the context of women returning to the work force. This could be said as well for elder care, that there is a need now that has been determined.

There are significant events that occur, I think, historically, that produce employer interest in this topic. The Traveler's survey was brought up by the gentleman from Massachusetts on the first panel. That was conducted in the summer of 1985, a survey of employees to determine what their care giver responsibilities were. This was the first time that any firm had actually gone out to see whether or not employees had responsibilities for caring for dependent older adults. In fact, they found a significantly high percentage, about 30 percent of their employees, who did. It was based on the information that they then received by attending conferences of the aging network, by surveying employees and retirees and by other activities, and by media attention to these issues, that they then consider it as an area for focus on the development of personnel and benefit plans.

Mr. DOWNEY. You heard, I think, Dr. Davis mention the fact that some of the companies, when they hear that the Federal Government may get involved in regulation in the public private partnership, that that would scare off business. Do you think this is a justified fear?

Mr. LEVIN. I think that business is concerned that, whoever they work with, will be organizations that are efficient, effective, flexible, and easy to deal with. To the extent to which legislation influences the capacity of aging network agencies to respond to those employer needs, perhaps. So my encouragement really is that you permit the flexibility that permits participation in these partnerships.

Mr. DOWNEY. Thank you.

Miss Gianopoulos, you mentioned the possibility that the management and financial structure of area agencies could be overwhelmed by new initiatives. Do you get any technical assistance from the Administration on Aging to deal with these problems?

Ms. GIANOPOULOS. We don't right now, but that would certainly be a possibility and a recommendation that I would make. I think if we would like area agencies to expand the scope of their activities, they need that kind of assistance, just the way any other business does.

Mr. DOWNEY. Thank you.

Olympia?

Ms. SNOWE. Thank you.

First of all, I would like to pay a special welcome to you, Chris, for being here today. It's good to see you. You've been at the forefront of many of these issues concerning the elderly in the State of Maine, and so I welcome you and your expertise here this morning. Thank you for making the trip. Mr. Levin, thank you as well for being here. I appreciate both of your testimonies here this morning on what will be an important dimension of the Older Americans Act as we look towards the reauthorization process.

First of all, Chris, what has been your impression with the program instruction that was issued by the Administration on Aging? Do you think it's going to complicate the process that's already underway in developing public private partnerships, or do you think it spells out very clearly the responsibilities and the guidelines that are necessary for the area agencies to work correctly in this regard?

Ms. GIANOPOULOS. I guess in that regard I would agree with some of those who testified earlier. I think the instruction provides a skeleton or an outline—the guidelines are fairly clear, but I think the way it works out in practice will depend a lot on the situation in the States, because the States are given a fair amount of latitude—

Ms. SNOWE. —in developing the policy to respond to that?

Ms. GIANOPOULOS. Right. I don't see that policy inhibiting what we're doing in Maine right now.

Ms. SNOWE. How generally will the State work to develop this policy? What will be the process?

Ms. GIANOPOULOS. Well, I met with our Area Agency on Aging directors several weeks ago after it first came out, and what we agreed to do is we'll have a series of meetings over the summer. I'll be talking with them, and I will also be talking with some business people. We will use the collaborative process, which is the process we use generally for developing policy in the State.

Ms. SNOWE. Do you see the program instruction changing the way in which they currently engage in this public private partnerships?

Ms. GIANOPOULOS. I don't think so. Right now they're doing that under a waiver of the direct service requirement that is already provided for in the Act. I don't really see that the instruction is going to significantly change that.

We also already prohibit using title III funds for financing these programs, so in that sense, again, it's not going to be a change for us in Maine.

Ms. SNOWE. You mentioned in your testimony, as did others on the first panel, about the fact that Congress has consistently underfunded the Older Americans Act, at least in terms of the net gain for appropriations, since 1980, and that the elder care services represents a small percentage of revenues from the Older Americans Act.

Do you believe that because of this underfunding by the Congress that area agencies will be more or less motivated to engage in public private partnerships?

Ms. GIANOPOULOS. That's an interesting question because someone else said to me, well, if title III funds increase, there will be less incentive, or conversely, if area agencies demonstrate that they can generate more money, Congress will be less motivated.

Again, I'm speaking from the perspective of a less-than-affluent rural State, and I don't think in Maine we need to worry about generating so much private sector money that you'll think we can go it on our own.

Ms. SNOWE. Obviously, the frustration in our State would be we don't have the number of companies available to other States to develop these kind of initiatives, because we are a less populated State and don't have as many major companies that would be in a position to provide this kind of benefit for their employees. So that makes it a little more difficult for us in Maine.

Ms. GIANOPOULOS. I think in States where there are not those large employers there is going to be more interest on the part of area agencies in marketing these kinds of services directly to older

consumers and their families, because there is not that corporate connection to work through.

Ms. SNOWE. Mr. Levin, can you tell me what motivates an employer to provide this kind of service for their employees? Is it because it does directly affect the productivity of their work force? Do they recognize that and that's the reason that leads them to develop this kind of arrangement?

Mr. LEVIN. Yes. I think that the interest in the whole area of dependent care, including elder care, is that there is a growing recognition that it does have some degree of impact on the performance, the morale and other qualities of the current worker. It is hard, however, to quantify that, although some firms have tried to do it.

Merck, for example, did a study back in 1985 that looked at what the replacement costs would be in terms of retraining workers, replacing those workers who would have to leave the work force for dependent related issues. They found that it's very substantial.

Aetna Life and Casualty in Hartford did a similar study this past year in which they analyzed or compared the relationship of their human resource policy on dependent leave as sort of a pre- and post-test. The pre-test was when the company only had a very modest leave policy, and then they implemented a 1-year leave with guaranteed re-employment. They found that women who were able to participate in the extended leave policy had a significant amount of return to work. In fact, turnover was reduced by about 50 percent.

So, from the periphery we're starting to see some research that is showing that, in fact, the changing personnel policies and benefit plans associated with elder care programs can have a bottom line impact for employers. It's good will, it's public relations, it's other things as well. But we believe that it does have a bottom line implication.

Ms. SNOWE. Would both of you respond to the question as to how Congress can provide leadership in this regard without overly regulating what you're doing or inhibiting what you're doing?

Mr. LEVIN. Well, to use the language that Chris used just a few minutes ago, I think Congress can lead, follow, and get out of the way. I think all three of those aspects—

Ms. SNOWE. I think most would like us to get out of the way.

Mr. LEVIN. I think there is certainly encouraging signs from the Administration on Aging, that this is something that should be supported. I think, just to try not to, if possible, overregulate the programs that are developing—and clearly, you have a mission to make sure that there is no effort on the part of the private sector to in any way interfere with the mission of the network.

I think it's going to happen sort of naturally and it will be very interesting to follow the developments.

Ms. SNOWE. Chris?

Ms. GIANOPOULOS. I guess I would agree with Bob. I think Congress can provide some expanded authorization in the act and then pay attention and make sure that the regulatory process of that expanded authorization doesn't somehow become constrained. Again, it's in the rulemaking process that the law in many senses actually gets made.

Ms. SNOWE. You don't see these responsibilities overwhelming the agency to the extent that they subordinate their other responsibilities under the Act?

Ms. GIANOPOULOS. Not necessarily. But again, I think it requires some planning and some oversight. And there is great variation among area agencies and their capacities, and among State units on aging and their capacities, to do the job.

Ms. SNOWE. Again, I want to thank both of you. Thank you, Chris, for coming down from Maine.

Ms. GIANOPOULOS. Thank you.

Mr. DOWNEY. Miss Morella.

Mrs. MORELLA. This hearing has gone very quickly, and I had a meeting before this. I didn't realize I would get here to find the last panel has spoken. But I want to compliment the Chairman and the ranking member for setting up the meeting particularly at this time in anticipation of the reauthorization of the Older Americans Act, so now we can be ready.

I was very interested in some of the questions and comments that were made also with regard to the workplace survey showing that—I think you said 30 percent of employees have elder care responsibilities and the fact better productivity occurs among the employees, knowing that there are programs in place. So we are looking at a changing society.

I'm sorry that I missed hearing John O'Neill, who I guess is still back there, because—he doesn't know this, but I grew up in Somerville. My mother is still there and is part of that elderly population. She just turned 90. I am particularly pleased to see there is that program called ElderLink, which appears to be working, from what your statement says.

My question to all of you is, is there any sharing that goes on with these area agencies as they work with the corporate communities? If there's a program that works in one area, say in Somerville, in Maine, Washington, do you have any way of sharing?

Mr. LEVIN. Was that directed to—

Mrs. MORELLA. It's directed to both of you.

Ms. SNOWE. I meant just to add that the gentlelady from Maryland also has children that live in Maine.

Mrs. MORELLA. Four children, and grandchildren, who live in Maine.

Mr. LEVIN. I think that the Administration on Aging, as well as organizations that represent the aging network, such as the National Association of State Units on Aging, the National Association of Area Agencies on Aging, other major national organizations such as the American Society on Aging and the National Council on the Aging, have all made a concerted effort in the past 2 years to try to incorporate the information developing in these programs on a local level in their national conferences. I know there have been a series of seminars, even one-day intensives, at the conferences of these national aging organizations to promote the sharing of it.

In this context, I would also like to note that the Washington Business Group on Health has a quarterly newsletter entitled "Together on Aging" which is devoted to describing public private partnerships in the area of aging. We have looked at elder care and

health promotion, older worker employment, and retirement transitions. The most recent issue out is on union related efforts in this area.

Mrs. MORELLA. So you feel that the information is there, but you feel also it is shared?

Mr. LEVIN. It's becoming shared. I think there needs to be even more efforts to try to promote, and this hearing is an effective way to do that, I believe, and share the good models that have been developed.

Mrs. MORELLA. Would you agree or want to comment on that?

Ms. GIANOPOULOS. I feel like I'm the voice of gloom and doom here. I'm reminded that I had a conversation with two of our area agency directors yesterday who were remarking to me that a third agency director, whose agency has paid for the development of a rather extensive care giver education syllabus, was unwilling to share that with the other two. Again, how it works will depend a lot on who the individual personalities are who are involved.

Mrs. MORELLA. Again, is there something we can do, bearing in mind your three verbs of advice, to foster or maybe require this kind of cooperation and sharing?

Ms. GIANOPOULOS. I think, picking up on Chairman Downey's comment about technical assistance, I think through those kinds of technical assistance efforts that we might encourage agencies to share that information.

Mrs. MORELLA. Very good. I thank you very much, Mr. Chairman.

Mr. DOWNEY. Thank you both, and to the other panelists. This was very helpful to us. We will spread the message and hopefully people will hear it. Thank you very much.

The subcommittee is adjourned.

[Whereupon, at 10:55 a.m., the hearing was adjourned.]

APPENDIX

TESTIMONY PRESENTED

JUNE 5, 1990

U.S. HOUSE OF REPRESENTATIVES

SELECT COMMITTEE ON AGING

SUBCOMMITTEE ON HUMAN SERVICES

BY

ELEANOR L. CAIN, DIRECTOR
DELAWARE DIVISION OF AGING

PUBLIC-PRIVATE PARTNERSHIPS: THE OPPORTUNITIES, THE RISKS

The Delaware Division of Aging, in the mid-1980's, began to "reach out" beyond Federal and State Government to the larger community. In order for us to achieve our mission for older people of independence, rights and personal choice, we saw an opportunity for public/private partnerships that went far beyond any risks this would bring to a government agency.

We have been very successful in the last five years in being able to expand our mission by collaborating with Delaware's private community. These relationships have been very positive, and we have accomplished the following:

- o We have increased the advocacy for older persons by having the larger community aware of key issues; such as increasing services to the frail elderly.
- o We have heightened our image as a government agency by highlighting our three principals of leadership, quality and excellence.
- o We have been able to market our role as a focal point for Information and Assistance to older persons and their families.
- o We have been able to increase services and personnel by tapping into private resources for both funds and volunteers.

Let me tell you about some of our partnerships:

- o Our first public-private partnership was with Delmarva Power, Delaware's largest power utility company. We have collaborated with Delmarva Power on many initiatives. They

were the first corporation to adopt the Gatekeeper concept in Delaware. We have designed a system between our two organizations to help older people in need of assistance. The Gatekeeper Program has been expanded to include Heritage Cablevision. Delmarva Power has cosponsored the Governor's Senior Walk for two years, and last year the registration fee of $4 bought one hot meal for a homebound older person. Delmarva Power designed our wellness logo and Joining Generations logo. They have printed brochures and posters for Delaware's Annual Beach Day. They have been a valuable resource to us.

o RxCheck is a program which helps older people and/or their caregivers track their medications, gives information about proper use and possible interaction with prescription drugs, over-the-counter medications and alcohol. The program began with a small seed grant from the Division of Alcoholism, Drug Abuse and Mental Health. This division, like the Division of Aging, is under the Department of Health and Social Services in Delaware. This seed grant allowed us to design the program with a private social marketing firm, which included a product for older people to log their medications. This program then expanded and became part of Governor Michael N. Castle's Above the Influence program. A mini grant from the Washington Business Group on Health helped us develop a training curriculum as part of the Above the Influence program. We trained community coordinators who

deliver the message about proper use of medication. Looking for funds to continue the program, we received a commitment from the Nemours Foundation, a health foundation of the late Alfred I. duPont. The Nemours Foundation operates the Nemours Clinic in Delaware for financially eligible older persons and provides eye care, hearing screening, dental care and pharmacy. The Nemours Foundation will fund the program, which includes the RxCheck book and brochures and educational seminars. The Division of Aging will administer the program through our aging network.

Governor Castle submitted RxCheck to the Council of State Governments to be considered a 1990 Innovations Program. Last week, I received notice that we were one of the semi-finalists in the Eastern Region. This program was submitted by Governor Castle because of the many partnerships.

o Meals On Wheels Delaware is a non-profit organization, which spun off from our agency. We applied to Meals On Wheels America for a technical assistance grant in 1989. We were one of the ten agencies which received a grant in 1989. For Thanksgiving and Christmas Day dinner, we raised over $13,000 from Delaware corporations. This provided a hot, traditional holiday dinner to homebound elderly persons who had no family to provide a holiday meal. This was the first time in many years that some older people had a holiday dinner, delivered by a volunteer. It wasn't just the meal, it was a community effort, which included several hundred volunteers who said

"Happy Thanksgiving" and "Merry Christmas" or "Seasons Greetings." Children from day care centers and area churches made holiday cards and place mats to make the occasion special. In some areas, fruit baskets and flowers were donated. This partnership for Meals On Wheels Delaware continues to grow. I have received a $50,000 challenge grant from MBNA America, plus an offer of volunteers from the bank to deliver meals, five days a week, from their corporate kitchen to homebound older people in the general proximity of the bank. The Wilmington Kiwanis Club accepted the challenge and has held two fund-raising events. On April 30, 1990, 83 Chief Executive Officers or senior-level executives from the Delaware Corporate Community accompanied a member of the Wilmington Kiwanis and delivered a meal to a homebound older person. The group returned to the cafeteria of the Department of Health and Social Services and enjoyed the same meal and learned more about Meals On Wheels Delaware. In recognition of Older Americans Month, the Wilmington Kiwanis sponsored Winefest '90, a black tie, $35 per person affair, which was attended by approximately 400 people. At The State Chamber of Commerce's "Market Delaware" a wine tasting booth, sponsored by King's Wine and Spirits, asked for $1 to taste wine which benefited Meals On Wheels Delaware.

Delaware's private community has been responsive to the needs of older people. Hercules, Inc.'s Legal Department initiated the HELP

Program where corporate attorneys help low income older people with their legal issues, especially helping them to write a will. Some relationships have been developed with clients, and they are assisting with other problems. With the Medical Center of Delaware, we developed Health Care Connections, a program which helps older people, who are admitted through the admissions office, learn how to access the community-based service system. A booklet was developed by a committee, chaired by a post-doctoral fellow from the Gerontological Society of America and printed by the Medical Center of Delaware. A training curriculum was developed by the committee, and staff and volunteers have been trained who work one on one with older people and their families. In cooperation with the Family Practice Office of the Medical Center of Delaware, we have developed a geriatric training component for Medical Students. The Medical Society of Delaware is evaluating the RxCheck Program by having ten physicians evaluate the use of the program by 1,000 older people. This evaluation will be done over a period of one year. We have received support from the Medical Society of Delaware in cosponsoring our 1989 Leadership Conference on Wellness. They will again cosponsor and support our 1991 Leadership Conference on Elder Rights. These conferences have a track designed for physicians. 1990 will be the second year the Medical Society of Delaware will cosponsor the Health Fair in conjunction with our Annual Beach Day in September. They continue to support our wellness initiative for older people. The Delaware Bar Association has designated two issues, one each year, of their publication Delaware Lawyer exclusively to elder rights issues.

Our objective of developing public/private partnerships will continue into the '90's and beyond. It has unlimited opportunities for us as a public agency, and especially older people.

However, the current federal effort needs to be continued and expanded. Privatization must not be seen as a method of supplanting current Federal effort. Community resources should be viewed as an enhancement. As with government resources, likewise private resources are also limited. Thus, the public-private partnership leverages limited resources for the good of Older Americans.

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